

**TOWN OF MOUNTAIN VILLAGE
TOWN COUNCIL REGULAR MEETING
THURSDAY, JULY 21, 2016, 8:30 AM
2nd FLOOR CONFERENCE ROOM, MOUNTAIN VILLAGE TOWN HALL
455 MOUNTAIN VILLAGE BLVD, MOUNTAIN VILLAGE, COLORADO
AGENDA**

	Time	Min	Presenter	Type	
1.	8:30				Call to Order
2.	8:30	60	Reed Mahoney	Legal	Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e
3.	9:30	5			Public Comment on Non-Agenda Items
4.	9:35	10	Staff & Council		Acknowledgement of Service of our Mountain Village Police Officers
5.	9:45	5	Johnston	Action	Consideration of Approval of Minutes of the June 16, 2016 Regular Town Council Meeting
6.	9:50	10	Abbott	Action	First Reading, Setting of a Public Hearing and Council Vote on an Ordinance Amending Section 3.04.040 of the Municipal Code to Update Statutory Reference
7.	10:00	15	Van Nimwegen Guglielmone	Presentation	Discussion on the Construction of a Sidewalk Along South Side of San Juan Avenue Between Aspen and Oak Streets in Telluride
8.	10:15	30	Van Nimwegen	Action Legislative	First Reading, Setting of a Public Hearing and Council Vote on an Ordinance Approving Proposed Amendments to the Community Development Code Regarding Rezoning and Lot Splits in the Single-Family District
9.	10:45	15	Mahoney Reed	Action Public Hearing Legislative	Consideration of an Emergency Ordinance Extending the Temporary Moratorium Prohibiting the Rezoning of Single Family Lots
10.	11:00	10	Council Members	Informational	Council Boards and Commissions Updates: a. Eco Action Partners -Sherry b. Telluride Historical Museum-Sherry c. San Miguel Watershed Coalition – Jett d. Colorado Flights Alliance – Jansen e. Transportation & Parking – MacIntire/Benitez f. Budget & Finance Committee – McKinley/Caton g. Gondola Committee – McKinley/Caton h. Mayor’s Update – Jansen
11.	11:10	30	Swain Vergari	Action Presentation	Finance: a. Presentation of the June 2016 Business & Government Activity Report (BAGAR) b. Consideration of the May 31, 2016 Financials c. Consideration and Acceptance of the 2015 Audit Report and 2015 Comprehensive Annual Financial Report
12.	11:40	20	Lehane Montgomery	Informational	Staff Reports: a. Broadband & Cable b. Town Manager
	12:00	30			Lunch

13.	12:30	15	Knox	Informational	Eco Action Partners Work Plan and 2017 Budget Request Submittal
14.	12:45	30	Mahoney Montgomery	Work Session	Discussion on Request for Proposal for the Potential Sale of Village Court Apartments
15.	1:15	15	Abbott Montgomery	Public Hearing	Second Public Hearing for the Purpose of Receiving Public Comment on the Proposed Intergovernmental Agreement Creating the San Miguel Authority for Regional Transit (SMART)
16.	1:30	15	Abbott Montgomery	Action	Consideration of Resolution Approving Execution of the Intergovernmental Agreement Creating the Proposed San Miguel Authority for Regional Transit Pending Voter Approval at the November 8, 2016 Election
17.	1:45	45	Major	Presentation	Presentation by Telluride Foundation Regarding Use of Public Private Partnerships to Provide Workforce Housing
18.	2:30	30	Van Nimwegen	Work Session	Conceptual Work Session to Discuss PUD Amendment and Density Transfer to Convert First Floor Commercial Space (Restaurant) to Residential at See Forever Village, 117 Sunny Ridge Place
19.	3:00	10	Van Nimwegen	Action	Consideration to Initiate a Major PUD to Convert the First Floor Commercial Space (Restaurant) to Residential at See Forever Village, 117 Sunny Ridge Place
20.	3:10	30	Van Nimwegen	Work Session	Joint Discussion with the Design Review Board on the Design Review Process
21.	3:40	15	Van Nimwegen A. Benitez	Work Session	Discussion Regarding Process to Replace Roofing in the Village Core
22.	3:55	5			Other Business a. Discussion on Evening Town Council Meetings b. Other
23.	4:00				Adjourn

Please note that times are approximate and subject to change.

07/13/16

jk

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Town Hall at 970-369-6406 or email: mvclerk@mtnvillage.org.
A minimum of 48 hours advance notice is required so arrangements can be made to locate requested auxiliary aid(s).



TOWN OF MOUNTAIN VILLAGE
455 Mountain Village Blvd. Suite A
Mountain Village, Co 81435
970-728-8000
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mvclerk@mtnvillage.org

**TOWN OF MOUNTAIN VILLAGE
MINUTES OF THE JUNE 16, 2016
REGULAR TOWN COUNCIL MEETING**

AGENDA ITEM #5

The meeting of the Town Council was called to order by Mayor Dan Jansen at 8:34 a.m. on Thursday, June 16, 2016 in the Mountain Village Town Hall, 455 Mountain Village Town Hall Boulevard, Mountain Village, Colorado.

Attendance:

The following Town Council members were present and acting:

Dan Jansen, Mayor
Marty McKinley, Mayor Pro-Tem
Laila Benitez
Cath Jett
Dan Caton
Michelle Sherry
Bruce MacIntire

The following Town Council members were absent:

Also in attendance were:

Kim Montgomery, Town Manager
Jackie Kennefick, Director of Administration/Town Clerk
Susan Johnston, Deputy Town Clerk
Christina Meilander, Administrative Services Coordinator
David Reed, Town Attorney
Sarah Abbott, Associate Attorney with Town Attorney's Office
Nichole Zangara, Director of Marketing & Business Development
Kevin Swain, Finance Director
Julie Vergari, Chief Accountant
Chris Broady, Police Chief
Glen Van Nimwegen, Dir. of Planning & Development Services
Dave Bangert, Forester/Planner
Deanna Drew, Director of Plazas & Environmental Services
Jim Loebe, Director of Transit & Recreation
Finn Kjome, Director of Public Works
Lexi Tuddenham
David Heaney
Randy Edwards
Stefanie Solomon
Deb Gesmundo

Paul Major
Anton Benitez
Hilary Cooper
Angela Pashayan
Liz Caton
Gene Dackonish
Russ Montgomery
Robert Stenhammer
Jolana Vanek
Steve Cram
Matthew Lynch
David Eckman
Pete Mitchell
Melanie McGlade
Tami Richardson
Dominic Mauriello
April Montgomery
Nathan Donnell
Tom McGlade

Public Comment for Non-Agenda Items (3)

Public comment was received by Steve Cram.

Executive Session for the Purpose of Receiving Legal Advice Pursuant to C.R.S. 24-6-402(b), and for the Purpose of Negotiations Pursuant to C.R.S. 24-6-402(4)e (2)

On a **MOTION** by Cath Jett and seconded by Dan Caton, Council agreed to enter into Executive Session for the purpose of receiving legal advice pursuant to C.R.S. 24-6-402(b), and for the purpose of negotiations pursuant to C.R.S. 24-6-402(4)e at 8:50 a.m.

Council returned to regular session at 10:14 a.m.

Consideration of Approval of Meeting Minutes of the May 19, 2016 Regular Meeting (4)

On a **MOTION** by Cath Jett and seconded by Bruce MacIntire, Council voted unanimously to approve the May 19, 2016 Town Council meeting minutes as presented.

Consideration of Appointments: (5)

a. Ethics Commission – One Regular Seat

Director of Administration/Town Clerk Jackie Kennefick presented the above item stating that Andrew Karow is leaving the area for a new position with Alpine Bank so he did not reapply. She stated that there are two candidates for consideration; alternate member Richard Child and Angela Pashayan. Council chose to vote by paper ballot. On a **MOTION** by Dan Caton and seconded by Marty McKinley, Council voted unanimously to appoint Angela Pashayan to the Ethics Commission regular seat.

b. Design Review Board (DRB)– One Alternate Seat

Director of Planning and Development Services Glen Van Nimwegen presented the above item stating that at the March 16th DRB meeting Keith Brown, Banks Brown and Luke Trujillo were re-appointed as regular members of the Board. Alternate member David Craige was also appointed as a regular member leaving one alternate seat vacant. DRB did not make a recommendation on the alternate seat and indicated the need for another experienced architect on the Board. Dan Caton recused himself as his wife was one of the applicants. The Town received letters of interest from Melanie McGlade, Angela Pashayan, Matthew Lynch and Liz Caton. After the March 3rd DRB meeting, an advertisement was sent out as an email blast, highlighting the desired qualifications. Public comment was received from DRB Chair David Eckman, Angela Pashayan, Matthew Lynch, Melanie McGlade, and Liz Caton. Council discussion ensued. Council voted by paper ballot which resulted in a 3-3 tie between Liz Caton and Matthew Lynch. After further discussion, another vote was taken. On a **MOTION** by Laila Benitez and seconded by Michelle Sherry, Council voted 6-0 (with Dan Caton abstaining) to appoint Liz Caton to the alternate seat on the Design Review Board.

Consideration of a Letter Supporting the San Juan Mountains Wilderness Bill (6)

Hilary Cooper joined the meeting via conference call. She stated that Congressman John Salazar introduced the Bill in the House but it has not yet been voted on by a full Congress. Senator Bennet will introduce the Bill this summer and will be visiting the Telluride area mid-July. Council discussion ensued. Public comment was received by Russ Montgomery and Lexi Tuddenham. Ms. Cooper responded to public comment by saying that measures have been taken to allow winter travel management plans, hunters, hikers and recreational users of the land. On a **MOTION** by Bruce MacIntire and seconded by Marty McKinley, Council voted 6-1 with Cath Jett dissenting, to send a letter to State representatives in support of the San Juan Mountain Wilderness Bill.

Finance: (7)

a. Presentation of the May 31, 2016 Business & Government Activity Report (BAGAR)

Finance Director Kevin Swain presented the BAGAR. Council discussion ensued.

b. Consideration of the April 30, 2016 Financials

Council discussion ensued. On a **MOTION** by Dan Caton and seconded by Cath Jett, Council voted unanimously to approve the April 30, 2016 Financials as presented.

Public Hearing for the Purpose of Receiving Public Comment on the Proposed Intergovernmental Agreement (IGA) Creating the San Miguel Authority for Regional Transit (SMART)(8)

Sarah Abbott, Associate Attorney with the Town Attorney's Office, presented the above item stating that Colorado Statutes governing transportation authorities require two public hearings on the proposed Intergovernmental Agreement (IGA), and that the purpose of this agenda item is to receive public comment. The Mayor opened the public hearing. Public comment was received by Anton Benitez. The Mayor closed the public hearing. Council discussion ensued on how best to educate and inform Mountain Village electors about the formation and taxation aspects of SMART. The second public hearing will be July 21st at the Town Council meeting.

Update on the Town Hall Subarea Plan (9)

Glen Van Nimwegen presented the update stating that Council approved a Memorandum of Understanding with Telluride Mountain Village Owners Association (TMVOA) and Telluride Ski and Golf in February, to share in the effort of updating this important chapter of the Comprehensive Plan. An oversight committee was formed that includes Council members Cath Jett and Bruce MacIntire. The committee has met four times; prepared and advertised a Request for Qualifications for consultants and received submittals from three qualified firms. The top two qualified teams (Design Workshop, Aecom) will be interviewed. \$150,000 has been budgeted for this project. The other members of the committee are Anton Benitez and Pete Mitchell. Council discussion ensued.

Presentation of Proposed CDC Amendments Regarding Lot Splits in Single-Family District and Input from the Public (10)

Glen Van Nimwegen stated that at the May 19th Town Council meeting, staff presented research about other communities similar to Mountain Village, and their standards for subdivision of single-family lots. Discussion included the following topics:

- The concerns are the densification of existing residential areas where there is a diverse range of lot sizes; and the addition of more intense uses, such as what is allowed in the Active Open Space district;
- Should the notice area be increased? It should not act as a barrier to requests, but should address the large parcels where 400 feet may not be enough.
- There were differing views on whether the PUD process is the right tool for this issue, but there was consensus that the process is onerous and time consuming;
- The existing ordinance does not define what makes a rezoning “exceptional”;
- Perhaps the amount of splits should be based on the size of the original parcel; and
- The moratorium should be lifted as soon as possible.

Staff prepared draft amendments to the CDC to address these concerns. A single family PUD will be created with a process which will be brought before Council and the final approval will be done by Ordinance. The DRB has been eliminated from the process. Council discussion ensued. Council direction was to proceed with the draft ordinance with the following changes:

- Move the noticing perimeter to 1500 ft.,
- Minimum lot size of 6 acres to enter process,
- Minimum lot size resulting from subdivide, 3 acres, and lot can be subdivided as many times as long as it satisfies the minimum lot size requirement

The amendments will be reviewed by DRB at their July 7th meeting. DRB will make a recommendation to Council at the first reading of the Ordinance on July 21, 2016. The second reading will be held at the August 18, 2016 Town Council meeting. Public comment was received by Dominic Mauriello, David Heaney, and Pete Mitchell. Council directed staff to provide a map highlighting the lots that are eligible for subdivision. Public comment was re-opened and received by Pete Mitchell and Jolana Vanek.

Consideration of Allowing for Temporary Construction Staging in the Singletree Way Right-of-Way Subject to the Owners of Lot AR32 Entering into a License Agreement (11)

Glen Van Nimwegen presented the above item stating that the application has been reviewed by DRB who recommended approval. Council discussion ensued. On a **MOTION** by Dan Caton and seconded by Cath Jett, Council voted unanimously to enter into a license agreement with the Owner of Lot AR-32 for temporary construction staging/parking in the Singletree Way road right-of-way for the construction of a new single-family residence on Lot AR-32. Such license agreement shall be approved by the Town Attorney's office and shall be executed by the Owner and the Mayor prior to issuance of a building permit.

Council took lunch from 12:30 p.m. to 12:45 p.m.

Grant Funding Process for 2017 Budget: (13)

Paul Major and Laila Benitez presented the above item. Mr. Major detailed the importance of goals, criteria and guidelines for grant making. The recommended criteria for creating a grant making program are:

- What is the purpose of the Grant?

- Grant types
- Define geographic service area
- Determine total amount to fund and maximum for any one grant
- Determine deadlines and time frames
- Determine the criteria for reviewing applications
- Select a committee to review applications

When making the determination on whom to fund, the following criteria may be used:

- Is the organization well run and financially strong?
- Organizations whose mission and project addresses a current and proven public need
- Demonstrate strong community support for their organizations and projects
- Organizations that show effective and efficient delivery of program services

In summary the Town should:

1. Decide on the goals and objectives
2. Define desired outcomes
3. Refine decision-making criteria
4. Determine grant-making process

Council directed the committee to create a grant plan and schedule a work session at a future meeting to present the committee's recommendations on how to initiate the process. Council consensus was to send a survey through an email blast asking for public input on the grant-making process. Mr. Major introduced Telluride Foundation's Vice President of Programs April Montgomery stating that she would be a valuable resource to help the Town determine how to structure a granting program. Council thanked Mr. Major and Ms. Montgomery for a thorough and informative presentation. Public comment was received by Jolana Vanek.

Consideration of a Term Sheet Between the Town and Adams Ranch MV, LLC Regarding Matters Related to Lot 640A – Continued from the May 19, 2016 Council Meeting (14)

Town Attorney David Reed presented the above item stating that the packet included a revised draft version of non-binding term sheet relating to the potential purchase and sale of land associated with Lot 640A. Council discussion ensued. Public comment was received by Randy Edwards. Mr. Edwards stated that he reduced the price from \$750,000 to \$550,000. Mr. Edwards went over the changes to the term sheet and stated that he had addressed the following concerns:

- Minimizing the laydown area
- Changing the laydown timeframe from 24 months to 12 months
- Remove vested property rights for three years (this has been removed from the term sheet)
- It was the intent of both parties that the park remain open during construction
- Removal of TSG delivering the easement and working with Timberview directly
- Include the 2.56 acres open space exchange and how it will be transferred to TSG
- Seek another appraisal
- Summarize the entire cost to the Town

Mr. Edwards's appraisal in 2014 was \$2.1 million for the lot as currently configured. The town would be purchasing 1.21 acres. Council discussion ensued regarding the idea of placing a deed restriction on the park so that it would remain a park in perpetuity. Public Works Director Finn Kjome stated that the property has been staked with blue flags to show the proposed park configuration. Public comment was received by Stefanie Solomon, Pete Mitchell, Jolana Vanek and Deb Gesmundo. On a **MOTION** by Marty McKinley and seconded by Dan Caton, Council voted unanimously to authorize Dan Caton and Bruce MacIntire to work with legal counsel and the Town Manager to move forward to an executable term sheet and finalize the transaction consistent with the discussion.

Council Boards and Commissions Updates: (15)

a. Eco Action Partners(EAP) –Sherry

There was no update.

b. Telluride Historical Museum-Sherry

The next meeting is July 20th.

c. San Miguel Watershed Coalition – Jett

Ms. Jett stated that Elizabeth Stuffings was hired as Program Coordinator. The Coalition is in the process of rewriting their bylaws to ensure that they have an active and productive board.

d. Colorado Flights Alliance (CFA) – Jansen

Mayor Jansen stated that summer flights are continuing to load strongly. CFA continues to increase seats and flights and revenues have grown. The Board is aggressively growing service out of Montrose and continuing to work on the new C approach (east to west) approval. It will be a more precise approach and will not encroach farther into Mountain Village.

e. Transportation & Parking- Benitez/MacIntire

There was no update.

f. Budget & Finance Committee – McKinley/Caton

There was no update.

g. Gondola Committee – McKinley/Caton

Marty McKinley stated that three members of the Town of Telluride Town Council were in attendance at the most recent meeting. They discussed what role the SMART would play in the gondola study.

h. Mayor's Update – Jansen

The Mayor stated that he is continuing to work with TSG and TMVOA regarding parking issues in Mountain Village. The new Telluride TV studio is open at the Inn at Lost Creek adjacent to Sunset Plaza and it is already paying dividends. Telluride TV will report to Town Council bi-annually.

Staff Reports: (16)

a. Town Manager

Town Manager Kim Montgomery presented her report highlighting that at the June 2nd RTA meeting, Telluride, San Miguel County and Mountain Village agreed upon the final language of the Intergovernmental Agreement (IGA) for the SMART. Each entity will now conduct the first of two public hearings on the IGA Adoption. An open house to kick off the Benchmarking Study will take place on June 21st at 5:30 p.m. at Town Hall.

On a **MOTION** by Laila Benitez and seconded by Marty McKinley, Council voted unanimously to extend the meeting beyond 6 hours.

b. Marketing & Business Development

Nichole Zangara presented her report. Her quarterly report on business development was emailed to Council. Ms. Zangara stated that she is planning to add a full time marketing position in 2017. *Business at Elevation* hosted their second successful event in Mountain Village. Business Development activities will be reported quarterly with additional metrics to show quantifiable results. Council discussion ensued regarding how to communicate most effectively on important issues, events, meetings and emergency situations. Public comment was received by Dennis Lankes in support of Ms. Zangara's current marketing efforts.

Other Business:

Director of Public Works Finn Kjome provided an update on the Meadows Improvement Project stating that bids have been received and fall within the budget. The selection committee has chosen the low bidder. The landscaping component of the project came in very high and Mr. Kjome asked Council to weigh in on bidding it out locally. He stated that additional funds are needed to complete the landscaping and signage elements of the project and that the funds would have to come from reserves. Michelle Sherry recused herself because she owns a landscaping company. The engineered portion of the project came in at the full budgeted \$300,000 and the landscaping and will cost an additional \$50,000. Public comment was received by Michelle Sherry. Council consensus was to proceed with the landscaping and signage utilizing reserve funds for the additional \$50,000.

Parkmobile Parking Application Demonstration (18)

Director of Transit and Recreation Jim Loebe presented the above item stating that after reviewing several options, Parkmobile seemed to have the best parking application with ease of use. Nathan Danell from Parkmobile stated that the company is a mobile payment provider which has been in business since 1999. They are in over 2000 locations in 42 states. The initial set up is to provide signage and stickers for the parking garages that explain the application and how to use it. The user simply enters their license plate

number, form of payment and an email address to add additional time on the meter. Code enforcement monitors by scanning license plates. This app does not replace the existing machines, but instead upgrades the service by adding an additional payment option. There is a user convenience fee which is approximately \$0.25 per transaction. During the initial launch there is a customer service call center to answer questions located in the United States. Clancy, the current system, will be integrated with Parkmobile and service could be live in four weeks from the time the contract is signed. Council discussion ensued regarding whether or not to absorb the transaction fee or charge the patron. Council consensus was to move forward with the implementation and absorb the fee for an initial pilot period. The parking committee will then make the determination if and when the fee will be passed on to the customer.

Consideration to Formally Adopt the Town's Title VI Plan for Transit Grants (19)

Jim Loebe presented the above plan stating that the Federal Government now requires that Town Council approve the plan. On a **MOTION** by Cath Jett and seconded by Michelle Sherry, Council voted unanimously to formally adopt the Town's Title VI Plan for Transit Grants.

There being no further business, on a **MOTION** by Dan Caton and seconded by Cath Jett, Council unanimously agreed to adjourn the meeting at 3:33 p.m.

Respectfully prepared,

Susan Johnston
Deputy Town Clerk

Respectfully submitted,

Jackie Kennefick
Town Clerk

Memo

Agenda Item #6

To: Mayor Jansen and Town Council
From: Sarah H. Abbott
CC: File
Date: July 14, 2016
Re: Ordinance Amending Municipal Code

In your packet under Agenda Item #6 you will find a draft ordinance amending Section 3.04.040 of the Municipal Code. The purpose of this ordinance is to correct a reference to the Colorado Revised Statutes. The statutes that were referenced previously were moved to another section of the Colorado Revised Statutes, and this ordinance would amend the Code to reflect that change.

With that we would accept questions and comments.

Proposed Motion:

I move to approve on first reading the ordinance as presented and set a public hearing and second reading of the ordinance as presented at the August Town Council meeting.

ORDINANCE NO. 2016 - _____

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE AMENDING SECTION 3.04.040 OF THE MOUNTAIN VILLAGE MUNICIPAL CODE TO UPDATE THE STATUTORY REFERENCE

RECITALS:

- A.** The Town of Mountain Village (the “Town”), in the County of San Miguel and State of Colorado, is a home rule municipality duly organized and existing under the laws of the State of Colorado and the Town Charter.
- B.** Pursuant to Article II, Section 3.6(e) of the Town Charter the Town Council has the power to enact ordinances that promote the common good of the Town. Under the Town Charter the Town Council shall exercise its legislative power to prescribe reasonable fines, jail sentences, and other sanctions for violations of such ordinances.
- C.** Article XX, Section § 6 (h) of the Colorado Constitution grants home rule municipalities the enumerated power necessary, requisite or proper for the government and administration of its local and municipal matters, including power to legislate upon, provide, regulate, conduct and control the imposition, enforcement and collection of fines and penalties for the violation of any of the provisions of its charter, or of any ordinance adopted in pursuance its charter.
- D.** The Town Council determines that is in the best interest of the community and the public health, safety and welfare of the citizens of the Town to amend the Town Code as provided for herein.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO AS FOLLOWS:

Section 1. Legislative Findings.

The recitals to this Ordinance are adopted as findings of the Town Council in support of the enactment of this Ordinance.

Section 2. Amendment of Town Code.

Section 3.04.040 of the Town Code shall be amended as reflected on Exhibit A, attached hereto and incorporated herein.

Section 3. Severability.

If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions

of this Ordinance which can be given effect without the invalid provision or application, and, to this end, the provisions of this Ordinance are declared to be severable.

Section 4. Ordinance Effect.

Existing ordinances or parts of ordinances covering the same matters as embraced in this Ordinance are hereby repealed and any and all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed, provided however, that the repeal of any ordinance or parts of ordinances of the Town shall not revive any other section of any ordinance or ordinances hereto before repealed or superseded and further provided that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this Ordinance.

Section 5. Safety Clause.

The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare of the citizens of the Town.

Section 6. Effective Date.

This Ordinance shall take effect _____, 2016.

Section 8. PUBLIC HEARING.

A public hearing on this Ordinance was held on the 21st day of July, 2016, in the Town Council Chambers, 455 Mountain Village Boulevard, Mountain Village, Colorado.

INTRODUCED, READ AND REFERRED to public hearing before the Town Council of the Town of Mountain Village, Colorado on the 21st day of July, 2015.

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

HEARD AND FINALLY ADOPTED by the Town Council of the Town of Mountain Village, Colorado, this 18th day of August, 2016.

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

Approved As To Form:

James Mahoney, Assistant Town Attorney

I, Jackie Kennefick, the duly qualified and acting Town Clerk of the Town of Mountain Village, Colorado ("Town"), do hereby certify that:

1. The attached copy of Ordinance No. _____ ("Ordinance") is a true, correct and complete copy thereof.

2. The Ordinance was introduced, read by title, approved on first reading with minor amendments and referred to public hearing by the Town Council of the Town ("Council") at a regular meeting held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on July 21, 2016 by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Martin McKinley, Mayor Pro Tem				
Bruce MacIntire				
Dan Caton				
Michelle Sherry				
Cath Jett				
Laila Benitez				

3. After the Council's approval of the first reading of the Ordinance, notice of the public hearing, containing the date, time and location of the public hearing and a description of the subject matter of the proposed Ordinance, was posted and published in the Telluride Daily Planet, a newspaper of general circulation in the Town, on _____, 2016, in accordance with Section 5.2b of the Town of Mountain Village Home Rule Charter.

4. A public hearing on the Ordinance was held by the Town Council at a regular meeting of the Town Council held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on _____, 2016. At the public hearing, the Ordinance was considered, read by title, and approved without amendment by the Town Council, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	“Yes”	“No”	Absent	Abstain
Dan Jansen, Mayor				
Martin McKinley, Mayor Pro Tem				
Bruce MacIntire				
Dan Caton				
Michelle Sherry				
Cath Jett				
Laila Benitez				

5. The Ordinance has been signed by the Mayor, sealed with the Town seal, attested by me, as Town Clerk, and duly numbered and recorded in the official records of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town this _____ day of _____, 2016.

Jackie Kennefick, Town Clerk

(SEAL)

EXHIBIT A

Section:

3.04.040 Exclusions

- A. Amount. The amount subject to tax shall not include the amount of any sales or use tax imposed by Article 26 of Title 39, C.R.S.
- B. Delivery Charges. The gross receipts from sales shall include delivery charges, when such charges are subject to the State of Colorado Sales and Use Tax imposed by Article 26 of Title 39, C.R.S., regardless of the place to which delivery is made.
- C. General Exemptions. There shall be exempt from taxation under the provisions of this Chapter, the same exemptions as those specified in Section 39-26-701, *et. seq.*, C.R.S., as amended from time to time, except the exemption allowed for purchase of machinery or machine tools by Section 39-26-709, C.R.S., as amended from time to time.
- D. Non Resident. All sales of tangible personal property on which a specific ownership tax has been paid or is payable shall be exempt from the subject Sales Tax when such sales meet both of the following conditions: 1. The purchaser is a nonresident of, or has its principal place of business outside of the Town; and 2. Such tangible personal property is registered or required to be registered outside the limits of the Town under laws of the State of Colorado. (Ord. 98-07 § 12-15).
- E. Exempt Refund Request. Refunds of tax paid to a retailer by a purchaser who claims that the sale is exempt from the tax may be requested by such purchaser by signing and submitting a claim for refund on or before sixty (60) days from the date of such purchase. (Ord. No. 2011-08 §17).



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 7

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of July 21, 2016
DATE: July 13, 2016
RE: Discussion on the Construction of a Sidewalk along South Side of San Juan Avenue between Aspen and Oak Streets in Telluride

DISCUSSION

Karen Guglielmone with the Town of Telluride's Department of Public Works' Environmental and Engineering Division recently received approval for revisions to their Streetscape Standards. Included in the revisions are changes to the south side of San Juan Avenue adjacent to the gondola building to include a six foot wide sidewalk. Council also received a presentation recently from the Telluride Foundation regarding the potential for a park adjacent to the road, west of the gondola building.

Telluride staff have analyzed this block for pedestrian safety and are recommending a six foot sidewalk be extended to connect with the existing plaza. They would like to begin capital planning for the improvement with possible construction starting in April, 2017. The parcel where the sidewalk is proposed is owned by Mountain Village, with some use restrictions from Telluride Ski and Golf (TSG) and the operation and maintenance of the gondola building is funded by Telluride Mountain Village Owners Association (TMVOA). To complete the sidewalk there would have to be significant changes to the gondola building as it is approximately two feet from the back of curb.

Staff thought it would be prudent to lay out for Council some of the issues with accomplishing the sidewalk and receive input.

- Approximate costs include:

Sidewalk	\$ 25,200
Gondola Building Modifications	\$100,000
Expand Snow Melt System	TBD
- The cost of the snow melt system is predicated on whether the current system could be simply expanded to include the new sidewalk. Staff's initial evaluation is the boiler system will have to be expanded.

- The use of the gondola building has been studied by a consultant who found that loading and unloading of the gondola would benefit from a reconfiguration of the entrance and exits to the building.
- How are costs shared between Mountain Village, TMVOA and Telluride?
- The sidewalk should not conflict with the potential of developing a park at the site.
- Who bears the maintenance responsibility for the sidewalk?
- Would HARC have to approve the gondola building modifications?
- Does the sidewalk become Telluride right-of-way?

Staff will be meeting with representatives of TSG and TMVOA soon.

Attach.: Excerpt from Telluride Design and Streetscape Standards



WEST SAN JUAN AVENUE – 300 BLOCK

20' Right of Way

Neighborhood Meetings: None. Added as an amendment to the Streetscape Standards in 2016.

BACKGROUND

Existing Street Conditions. This block was improved when the Gondola Plaza was constructed. Sloping to the west toward South Aspen Street, it is paved with asphalt, has curb and gutter along the north and south sides with drop inlets at the west end. These inlets discharge to the San Miguel River through a 4 inch conduit.

Environmental/Drainage/Snow Storage. Drainage appears to be effective along this block. Snow is traditionally stored in the green space on the south side of this block to the west of the Gondola Station.

Historic Character. This block neither contributes to nor detracts from the historic character of this area. There are no historic structures.

Interfacing Streets. South Oak Street and South Aspen Street appear to function well with this block from a vehicular standpoint.

Lighting. There is a commercial style street light at the southwest corner of the West San Juan Avenue and South Oak Street intersection just east of the Gondola Station. There is a second commercial style street light west of the Gondola Station on the south side approximately at the middle of the street.

Parking. There are two 15-minute loading spaces available for deliveries and drop off to the businesses along this block on the south side near South Aspen Street. Otherwise, the right of way is too narrow to allow for vehicle parking or stopping.

Pedestrian Concerns. This block is a primary pedestrian access point from neighborhoods to the west to reach the Gondola Station to Mountain Village, Chair 8 Lift to the ski area, and the Galloping Goose Bus Stop at Gondola Plaza. It is used heavily by pedestrians, who often walk in the middle of the travel way.

Street Furniture and Public Art. No formal street furniture or amenities currently exist and none are recommended, given the intense use and limited space for this area.

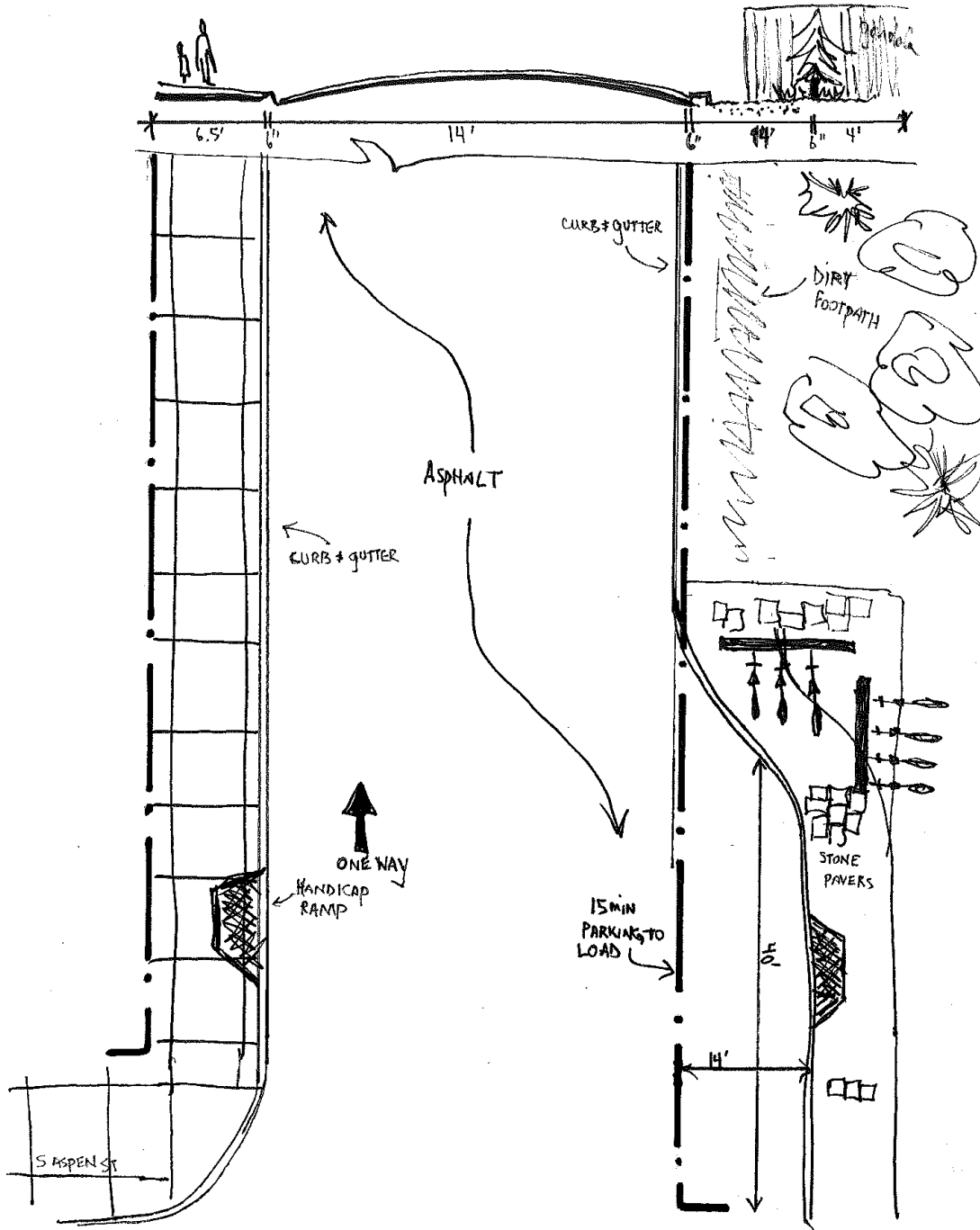
Traffic Circulation. This block provides primary access to the Gondola Plaza, which is the connecting point to Mountain Village from Telluride. Traffic congestion occurs at the Gondola Plaza at the south end of South Oak Street, where the Galloping Goose, private vehicles, and hotel concierge services stop to load and unload passengers.

Utilities. There are no utility concerns for these blocks at this time.

RECOMMENDED IMPROVEMENTS

1. Construct a 6 foot wide sidewalk along the south side of this block to facilitate pedestrian movement.
2. Construct a colored concrete crosswalk at the intersection with South Aspen Street running north-south.
3. Work with Mountain Village to open the northwest corner of the Gondola Station to facilitate pedestrian flow through.

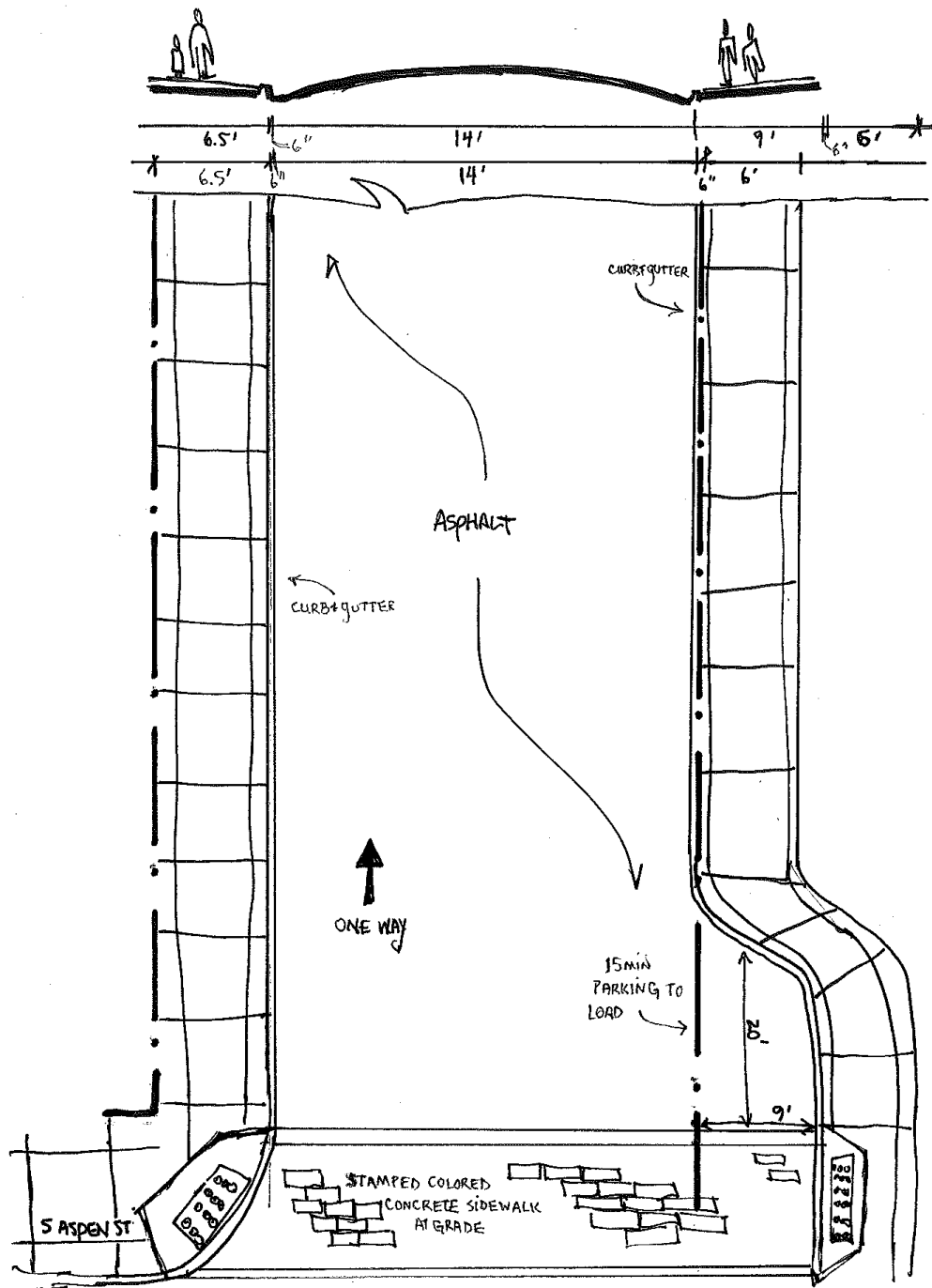
Figure 4. West San Juan Avenue (Gus's Way) 300 Block, proposed summary analysis



W SAN JUAN AVENUE - 300 BLOCK
 (BETWEEN S OAK & S ASPEN)

- EXISTING CONDITION -

Figure 5. West San Juan Avenue (Gus's Way) 300 Block, existing condition. This block is not currently included in the Streetscape Manual.



W SAN JUAN AVENUE - 300 BLOCK
 (BETWEEN SOAK * S ASPEN)

- PUT INTO STREETSCAPE STANDARDS 2016 -

Figure 6. West San Juan Avenue (Gus's Way) 300 Block, proposed changes to the existing condition. Staff proposes that this conceptual design be incorporated as an amendment into the Streetscape Standards.



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 369-8250

Agenda Item No. 8

TO: Town Council

FROM: Glen Van Nimwegen, AICP
Director

FOR: Meeting of July 21, 2016

DATE: July 8, 2016

RE: **First Reading and Setting a Public Hearing on Proposed Amendments to the Community Development Code (CDC) Limiting Rezoning and Lot Splits in the Single-Family Residential District**

BACKGROUND

At the June 16th Town Council meeting staff presented proposed changes to the CDC. Council asked staff to prepare a draft ordinance with the changes proposed by staff, with the following changes:

- Increase the area required for a Single Family Planned Unit Development to six acres,
- The resulting Single Family lots shall have a minimum lot size of three acres; and
- Increase the area of the written notice from 400 feet to 1,500 feet.

Council also asked staff to prepare a map of the Single Family lots of six acres or greater and evaluate their potential for splitting.

We received additional input from Dominic Mauriello, representing David Heaney and other residents. We then received input from attorney Tom Kennedy and a rebuttal from attorney Kendra Carberry. On July 7th staff presented the proposed changes to the Design Review Board for their recommendation to Town Council.

DISCUSSION

The redline draft modifies Section 17.3.4(F)4. Further Subdivision Limited to allow additional density in the single-family district through a new Single-Family Planned Unit Development (SFPUD) process. “Exceptional” was removed from the reasoning behind an approval. Instead staff proposes simply using the public benefit requirement of the PUD. In addition we added limitations and clarifications to the extent of the subdivision:

- The subdivision cannot include more than two single-family lots; and
- Would allow the creation of passive open space parcels.

Staff is proposing amendments to Section 17.4.12 Planned Unit Development Regulations to create the new SFPUD process that:

- Is shorter as we have removed the requirement for a Sketch Plan review by the Design Review Board.

- Requires the subject parcel to be a minimum of six acres and the subdivision to create no more than two lots single family lots that are at least three acres in size. In addition there may be a lot zoned for passive open space;
- Increases the written notice area for a new SFPUD to be 1,500 feet;
- Allows only Passive Open Space and Single-Family district uses in a SFPUD; and
- Requires community benefits be provided such as additional passive open space; workforce housing; other actions which implement goals of the Comprehensive Plan; or other benefits as determined by the Town Council.

We shared the proposal with Dominic Mauriello. He had the following comments and our response follows:

“Page 93 (#3): “For an SFPUD, the minimum land area or property size to be included in a SFPUD shall be 6 acres with no resulting lot less than 3 acres, except that for Lots 376RA1, 387R1, 388, and 420R the minimum SFPUD size shall be 20-acres with no resulting lot less than 10 acres minimum.

Page 84 (C. Applicability) will also need to be amended to reflect the 6 acre and 20 acre minimum lot sizes.

Additionally, we think there should be a simple phrase added to the amendment that prevents future resubdivision of lots that were already resubdivided as an SFPUD. We offer the following proposed change:

Page 93 (#2c): "SFPUD. A development application for a SFPUD may be made for a single parcel of land or contiguous parcels of land controlled by a single landowner or by a group of landowners to be developed as a unified plan pursuant to the PUD Regulations. An application for an SFPUD may only be submitted or approved once for any parcel of land in order to prevent future resubdivision of the same parcel or parcels of land.”

We believe there are other areas of the CDC that may need some minor revision to accommodate the changes being proposed by the Town such as definitions, vested rights, and the subdivision chapter.”

Staff: Figure 1 shows the four lots that are proposed to have the minimum lot size of ten acres. Owners of parcels of six acres and greater should be afforded the same opportunities and restrictions proposed in the draft ordinance. Staff believes the ordinance supports diversity in lots sizes better than what is proposed by Mauriello and Heaney. For example, under the current draft if a 20 acre parcel is split into two lots with one lot at the minimum of three acres, the second lot must be 17 acres, which is more diversity than two ten acre lots. Also, we do not believe subsequent lot splits after the original SFPUD is established is a real threat as every SFPUD must provide community benefits.

Attached to the staff report is an email from Tom Kennedy stating his concerns with the latest amendment proposed by Mauriello. He is against the changes as they create two sets of standards and are contrary to the comprehensive plan that recommends buffering when new lots are created. He states larger lots, such as the four identified in Figure 1, have more ability to buffer their neighbors than smaller lots, so should not have additional restrictions. He asserts the proposed change is spot zoning. This precipitated a response from attorney Kendra Carberry (attached) who emphasized the proposal is not a spot zone as it does not target an

isolated parcel, but a group of parcels. Also, it has been determined that PUD's are not spot zoning.

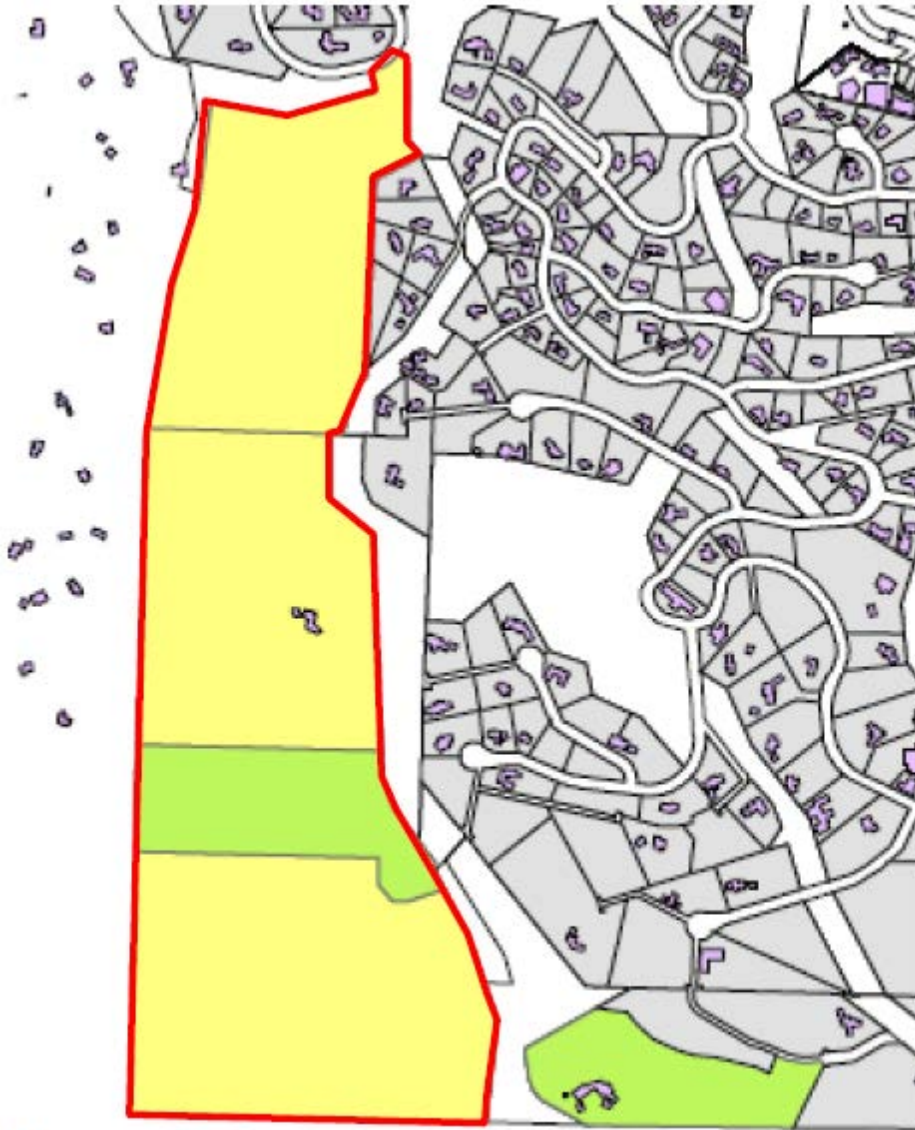


Figure 1

DESIGN REVIEW BOARD RECOMMENDATION

On July 7, 2016 the Design Review Board reviewed the recommendation from staff and the testimony that was presented at the public hearing. A Motion was made by Board Member Evans, seconded by Board Member Garner to recommend the following:

1. The Town Council reconsider the ability to subdivide single family lots at all and the DRB believes that subdivision of single family lots should be prohibited.
2. In the event that Town Council continues with the ability to subdivide single family lots the language proposed by staff is recommended; with the condition that lots are only eligible for one subdivision.

Voice vote carried the Motion 5-2 with Board Members David Craige and Keith Brown voting against.

The dissenting votes were for two opposing reasons: there should not be an allowance for further subdivision; and the specifics of if, when and how lot splits occur should be determined on a case-by-case basis.

Attached to this memorandum is a letter from Board Member Craig giving further clarification of his vote; and an email from Board Member Banks Brown stating his concerns with proposed ordinance.

PROPOSED MOTION

Staff recommends the Town Council approve the first reading of an ordinance amending the CDC with the following motion:

“I move to approve the first reading of an ordinance amending the Community Development Code, with direction to the Town Clerk to set the public hearing on August 21, 2016.”

- Attach: Draft Ordinance for First Reading
- Exhibit A: Map of Lot Sizes
- Exhibit B: Map of Lot Sizes Six Acres and Greater
- Email from Thomas Kennedy
- Email from Kendra Carberry
- Email from DRB Board Member David Craige
- Email from DRB Member Banks Brown

ORDINANCE NO. 2016-__

AN ORDINANCE AMENDING THE COMMUNITY DEVELOPMENT CODE (CDC) AT SECTIONS 17.3.4(F) SPECIFIC ZONE DISTRICT REQUIREMENTS – SINGLE FAMILY, 17.4.4(I) PUBLIC HEARING NOTICE REQUIREMENTS AND 17.4.12 PLANNED UNITED DEVELOPMENT REGULATIONS AND MISCELLANEOUS AMENDMENTS TO THE CDC TO ACCOMPLISH THE FOREGOING

RECITALS

- A. The Town of Mountain Village (the “Town”) is a legally created, established, organized and existing Colorado municipal corporation under the provisions of Article XX of the Constitution of the State of Colorado (the “Constitution”) and the Home Rule Charter of the Town (the “Charter”).
- B. Pursuant to the Constitution, the Charter, the Colorado Revised Statutes and the common law, the Town has the authority to regulate the use and development of land and to adopt ordinances and regulations in furtherance thereof.
- C. The Town Council may amend the CDC from time-to-time to address CDC interpretations, planning matters, clarify and refine the Town’s land use regulations; or to address issues or policy matters.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO AS FOLLOWS:

Section 1. Amendment of Community Development Code

- A. The Town of Mountain Village Community Development Code is hereby amended as set forth in Exhibit A which is attached hereto and incorporated herein.
- B. The Planning Division is directed to codify the amendments in Exhibit A into the CDC.
- C. The Planning Division may correct typographical and formatting errors in the amendments or the adopted CDC.

Section 2. Ordinance Effect

- D. This Ordinance shall have no effect on pending litigation, if any, and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the ordinances repealed or amended as herein provided and the same shall be construed and concluded under such prior ordinances.
- E. All ordinances, of the Town, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed, replaced and superseded to the extent only of such inconsistency or conflict.

Section 3. Severability

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Ordinance.

Section 4. Effective Date

This Ordinance shall become effective on _____, 2016.

Section 5. Public Hearing

A public hearing on this Ordinance was held on the _____ day of August, 2016 in the Town Council Chambers, Town Hall, 455 Mountain Village Blvd, Mountain Village, Colorado 81435.

INTRODUCED, READ AND REFERRED to public hearing before the Town Council of the Town of Mountain Village, Colorado on the 21st day of July, 2016.

TOWN OF MOUNTAIN VILLAGE

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

HEARD AND FINALLY ADOPTED by the Town Council of the Town of Mountain Village, Colorado this _____ day of August, 2016.

TOWN OF MOUNTAIN VILLAGE

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

Approved As To Form:

Jim Mahoney, Assistant Town Attorney

I, Jackie Kennefick, the duly qualified and acting Town Clerk of the Town of Mountain Village, Colorado ("Town") do hereby certify that:

1. The attached copy of Ordinance No. _____ ("Ordinance") is a true, correct and complete copy thereof.

2. The Ordinance was introduced, read by title, approved on first reading with minor amendments and referred to public hearing by the Town Council the Town ("Council") at a regular meeting held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on _____, 2016, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Cath Jett				
Laila Benitez				
Dan Caton				
Michelle Sherry				
Martin McKinley, Mayor Pro-Temp				
Bruce MacIntire				

3. After the Council's approval of the first reading of the Ordinance, notice of the public hearing, containing the date, time and location of the public hearing and a description of the subject matter of the proposed Ordinance was posted and published in the Telluride Daily Planet, a newspaper of general circulation in the Town, on _____, 2016 in accordance with Section 5.2b of the Town of Mountain Village Home Rule.

4. A public hearing on the Ordinance was held by the Town Council at a regular meeting of the Town Council held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on _____, 2016. At the public hearing, the Ordinance was considered, read by title, and approved without amendment by the Town Council, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Cath Jett				
Laila Benitez				
Dan Caton				
Michelle Sherry				
Martin McKinley, Mayor Pro-Temp				
Bruce MacIntire				

5. The Ordinance has been signed by the Mayor, sealed with the Town seal, attested by me as Town Clerk, and duly numbered and recorded in the official records of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town this ____ day of _____, 2016.

Jackie Kennefick, Town Clerk

(SEAL)

Exhibit A: CDC Amendments

EXHIBIT A:

PROPOSED AMENDMENTS TO THE COMMUNITY DEVELOPMENT CODE

Section 17.3.4 Specific Zone District Requirements

F. Single-Family Zone District

1. **Permitted Uses.** Lots in the single-family zone district may be used for the construction of one (1) single-family dwelling unit and one (1) accessory dwelling unit.
 - a. Three (3) lots in the single-family zone district have a zoning designation of non-subdivideable duplex: Lot 213, Lot 245 and Lot 257B, with the following allowances and limitations to such lots:
 - i. Two (2) dwelling units may be constructed;
 - ii. One (1) dwelling unit shall be designated as a major duplex unit, and one (1) dwelling unit shall be designated as minor duplex unit;
 - iii. The square footage of the minor duplex unit may not exceed seventy-five percent (75%) of the square footage of the major unit;
 - iv. Dwelling units may be either detached or combined into one (1) structure; and
 - v. Accessory dwelling units shall not be allowed.
2. **Accessory Buildings or Structures.** Permitted accessory buildings or structures include hot tubs, saunas, swimming pools, gazebos, art, ski tramways approved pursuant to the Conditional Use Permit Process, outdoor kitchens, play equipment, fire pits, tennis courts and typical court fencing, ice skating rinks approved pursuant to the Conditional Use Permit Process, fenced dog areas, and similar uses. Storage buildings are expressly prohibited, except the DRB may approve a trash and recycling bin storage building at the end of a driveway longer than 100 feet provided such is designed in accordance with the Design Regulations.
 - a. All accessory buildings or structures shall be located in the rear yard to the extent practical.
 - b. Accessory buildings or structures shall not exceed 500 sq. ft. in size or floor area, as applicable.
 - c. Design requirements applicable to accessory dwelling units are in the Single-Family zone district.
 - d. Buffering is provided for high activity level buildings or structures, such as hot tubs, swimming pools and tennis courts to mitigate the adverse visual and noise impacts.
3. **Accessory Uses.** Permitted accessory uses include home occupations pursuant to the Home Occupation Regulations, firewood storage in the rear yard when a valid fireplace permit is held, ski surface parking as limited by Parking Regulations, private outdoor projection system onto the wall of a building to show movies or other media that is not visible from a public way or adjoining lot (buffering required), and other similar uses.

4. **Further Subdivision Limited.** A single-family lot may be further subdivided and additional density ~~may be~~ transferred onto a single-family lot by the Rezoning Process in limited situations only if:

- a. The density is currently permitted on a lot; or
- b. The Comprehensive Plan envisions higher density; or
- c. A SFPUD is approved pursuant to the PUD Regulations; ~~or and~~
- d. The Town Council determines that the rezoning ~~is exceptional and~~ meets conditions to mitigate ~~the subdivision or any increase in density and otherwise meets the public benefit requirements of an SFPUD as determined by the Town Council;~~ upzoning, such as but not limited to clustered development, the provision of additional open space, or other community benefits; and the subdivision and/or rezoning is compatible and fits with surrounding area development. A subdivision shall not result in the creation of more than two single family lots. Notwithstanding the foregoing, the creation of passive open space lots, in addition to the single family lots is permitted.

5. **Accessory Dwelling Unit.** Accessory dwelling units are permitted in the Single-Family Zone District provided such units shall:

- a. Only be allowed if the primary single-family dwelling unit exists or is constructed concurrently;
- b. Comply with the Design Regulations;
- c. Have the following floor area limitations:
 - i. A maximum of 800 sq. ft. of floor area if the primary single-family dwelling unit on the lot is 4,000 sq. ft. or less of floor area; and
 - ii. If the primary single-family dwelling unit is in excess of 4,000 sq. ft., the accessory dwelling unit is limited to twenty percent (20%) of the floor area of the primary single-family dwelling unit or 1,500 square feet of floor area, whichever is less.
- d. Be physically attached (roof forms and foundation) to the primary single-family dwelling unit if the lot is less than or equal to 0.75 acres. Lots that are greater than 0.75 acres may develop an accessory dwelling unit that is detached from the main single-family dwelling unit;
- e. Provide separate access to the unit, a kitchen facility separate from the main single-family dwelling unit, and off-street parking as required by the Design Regulations; and
- f. Be located on a lot so as to minimize visual impacts to existing buildings on lots immediately adjacent to the proposed unit to the extent practical.

CHAPTER 17.4 DEVELOPMENT REVIEW PROCEDURES

17.4.1 PURPOSE

The purpose of the Development Review Procedures is to provide a clear, transparent, consistent, predictable and efficient review process for certain development activities within Mountain Village that are governed by this CDC.

17.4.2 OVERVIEW OF DEVELOPMENT REVIEW PROCESSES

- A. There are five (5) development review processes that are used for evaluating land use development applications governed by the CDC:
 - 1. **Class 1 application:** Staff development application review process;
 - 2. **Class 2 application:** Staff-DRB chair development application review process;
 - 3. **Class 3 application:** DRB development application review process;
 - 4. **Class 4 application:** DRB-Town Council development application review process; and
 - 5. **Class 5 application:** Town Council development application review process.

- B. Table 4-1 summarizes the types of development applications that fall under each class of application and associated review authority:

Table 4-1, Development Application Classes

Development Application Type	Application Class	Review Authority
Minor revision Process	Class 1	Planning Division Staff
Renewals	Class 1	Planning Division Staff
Rezoning Process	Class 4	DRB Recommendation & Town Council Action
Density Transfer Process		
From lot, or density bank, to a lot	Class 4	DRB Recommendation & Town Council Action
Within the density bank	Class 1	Planning Division Staff
Design Review Process		
	Class 1	Planning Division Staff
	Class 2	DRB Chair
	Class 3	DRB
Site Specific PUD (SPUD)	Class 4	DRB Recommendation & Town Council Action
Conceptual PUD	Class 4	DRB Recommendation & Town Council Action
Sketch PUD	Class 3	DRB
Final PUD	Class 4	DRB Recommendation & Town Council Action
<u>Single Family PUD (SFPUD)</u>		
<u>Conceptual PUD</u>	<u>Class 4</u>	<u>DRB Recommendation & Town Council Action</u>
<u>Final PUD</u>	<u>Class 4</u>	<u>DRB Recommendation & Town Council Action</u>
Master PUD (MPUD)		
Outline PUD	Class 5	Town Council
Final PUD	Class 4	DRB Recommendation & Town Council Action

Section 17.4.4 (I) Public Hearing Noticing Requirements

2. Public Noticing Requirements. ~~Notice as required by this section shall be given at least thirty (30) calendar days prior to the initial public hearing held by the review authority.~~

Development applications shall be noticed in substantial compliance with the following provisions:

- a. **Class 1 and 2 Applications.** No legal notice of these administrative development application processes is required.
- b. **Class 3 and 4 Applications.** Notice of the public hearing(s) shall be: 1) sent to all property owners within 400 feet of the property boundaries in accordance with the public hearing noticing requirements and the mailing notice details, 2) posted in accordance with the posted notice details, and 3) listed on the review authority agenda.
 - i. If the Director of Community Development determines that a final MPUD or major PUD amendment development application affects only a portion of the property within a MPUD, SPUD or PUD, then, notwithstanding any other provisions of this section, notice shall be mailed to owners within 400 feet of the affected site or to those owners that are determined to be potentially affected.
- c. **Class 5 Applications.** Notice of the following development application public hearing(s) shall be: 1) sent to all property owners within 400 feet of the property boundary in accordance with the public noticing requirements and the mailing notice details, 2) posted in accordance with posted notice details, and 3) listed on the review authority agenda:
 - i. Outline MPUD development applications;
 - ii. No legal notice is required for the following class 5 development applications:
 - (a) Minor subdivisions.
 - (b) Other class 5 applications.
- d. **Mineral Estate Notification:** An applicant, for any application outside of the Original PUD Boundary, shall provide notice to mineral estate owners as required by C.R.S. § 24-65.5-100, et seq., as currently enacted or hereinafter amended.

3. Additional Public Notice Requirements for Specific Development Review Applications

- a. **Vested Property Right.** Notice of the review authority's public hearing for a vested property right may be combined with the notice for any other required, concurrent hearing to be held on the site-specific development plan for the subject site or lot.
- b. **CDC Amendments.** Notice of the review authority's public hearing for the

proposed CDC amendment shall be: 1) listed on the review authority agenda, and 2) listed as a public notice on the Town's website at least fifteen (15) calendar days prior to the initial public meeting.

- c. **Adoption or Amendments to Master Plans.** Notice of the Town Council's public hearing for the proposed adoption of or amendments to the Comprehensive Plan shall be: 1) listed on the Council's agenda, and 2) published as a legal advertisement at least once in a newspaper of general circulation in the town at least fifteen (15) calendar days prior to the initial public meeting.
- d. Applications for the Single Family PUD. Notice of the public hearing(s) shall be: 1) sent to all property owners within 1,500 feet of the property boundaries in accordance with the public hearing noticing requirements and the mailing notice and the mailing notice details, 2) posted in accordance with the posted notice details, and 3) listed on the review authority agenda.

4. Mailing Notice Details

- a. Mailing of the property owner notice is the responsibility of the applicant who shall obtain a copy of the adjacent property owner letter form from the Planning Division.
- b. The mailing of all notices shall be by first-class mail, postage prepaid at least thirty (30) calendar days prior to the initial public hearing held by the review authority.
- c. If a condominium development is located within the prescribed distance of the subject property, the applicant shall provide notice to the condominium association and every condominium unit property owner or part owner who owns at least a fifty percent (50%) interest in a condominium unit.
- d. Prior to the mailing of notice, the applicant shall deliver to the Planning Division a copy of the notice for review and approval.
- e. If for any reason a development application is not placed on the agenda for the date noticed, the applicant shall re-notice the revised scheduled meeting date at least fifteen (15) days prior to the revised meeting date.
- f. The applicant shall execute an affidavit of mailing in a form provided by the Planning Division with a copy of the notice and the property owner mailing list attached thereto.
- g. If notice required by this section is determined to be improper or incomplete, the applicant shall be required to re-notice adjacent owners at least thirty (30) days prior to a revised scheduled meeting date.
- h. Notices shall be deemed delivered when deposited for delivery with the United States Postal Service.
- i. Notices shall include, at a minimum, the following information:
 - i. Name and address of the applicant;
 - ii. Type of development application(s);
 - iii. Address and legal description of the subject property;
 - iv. Date, time and place of the DRB and/or Town Council meeting;
 - v. Detail summary of the development application under consideration;
 - vi. Description of any requested variations to the standard requirements of the CDC;
 - vii. Vicinity map;
 - viii. Identification of the review authority that will conduct the public

- ix. hearing; and
- ix. Such other information deemed necessary by the Planning Division in order to inform the public of the nature of the development application.

5. Posted Notice Details

- a. At least fifteen (15) days prior to the meeting date, the applicant shall post a public notice sign on the property that is the subject of the development application.
- b. The public notice sign shall be provided by the Planning Division and shall be posted on the property by the applicant in a visible location adjacent to public rights-of-way or public space.
- c. The posted notice shall only indicate that the property is the subject of a pending land use development application before the Town and shall provide a contact phone number with the Town to obtain information regarding the development application.
- d. More than one notice may be required to be posted on the property affected by the development application if the Planning Division determines that because of the size, orientation or other characteristics of the property additional posted notice is necessary.
- e. The applicant shall be responsible for returning the sign to the Planning Division following the meeting date.
- f. The Planning Division may require a security deposit for the sign.
- g. The applicant shall execute an affidavit of posting the notice in a form provided by the Planning Division.

17.4.12 PLANNED UNIT DEVELOPMENT REGULATIONS

A. Purpose and Intent

The purpose and intent of the Planned Unit Development (“PUD”) Regulations is to:

Permit variations from the strict application of certain standards of the CDC in order to allow for flexibility, creativity and innovation in land use planning and project design;
Allow for a creative planning approach to the development and use of land and related physical facilities to produce a better development;
Provide for community benefits;
Promote and implement the Comprehensive Plan;
Promote more efficient use of land, public facilities and governmental services; and
Encourage integrated planning in order to achieve the above purposes.

B. Overview of the PUD Process

- 1. A PUD may be created in either of ~~two~~ three ways: the Site-specific PUD Process (“SPUD”) or the Master PUD Process (“MPUD”) or the Single Family PUD Process (“SFPUD”).

- a. The SPUD results in approval of rezoning to a PUD district and a detailed set of design plans, a PUD development agreement, a subdivision (if needed), a density transfer (if needed), a site-specific development plan and a vested property right.
- b. The MPUD results in the approval of rezoning to a PUD district and a PUD development agreement that outlines permitted land use, density, maximum height and floor area, required community benefits and a vested right, but which requires a detailed final plan for individual phases prior to actual development.
- c. The SFPUD results in the approval of a subdivision and/or rezoning of properties in the Single Family Zone District which may only retain the Single Family zoning or may be rezoned to the Passivbe Open Space Zone District or a combination thereof.

2. The primary steps in the SPUD and SFPUD Process are:

- a. Conceptual PUD review (DRB and Town Council);
- b. Sketch PUD review (DRB) (not required in a SFPUD);
- c. Final PUD rezoning ordinance and PUD development agreement (DRB and Town Council);
- d. Concurrent subdivision and density transfer, as applicable; and
- e. Final PUD review.

3. The primary steps in the MPUD Process are:

- a. Conceptual worksession (DRB and Town Council);
- b. Outline MPUD rezoning ordinance and outline PUD development agreement (DRB and Town Council);
- c. Final MPUD approval and final MPUD development agreement for all or portions of the outline MPUD (DRB and Town Council); and
- d. Subdivision and density transfer, as applicable.

4. **PUD Development Agreement Required.**

- a. An application for approval of a final PUD plan shall include a proposed PUD development agreement setting forth, at a minimum, the permitted uses, density, maximum building height and massing, zoning designations, CDC and Design Regulations variations, rezonings, density transfers, subdivisions, requirements for the construction of any public improvements and facilities, timetable and schedule of development, phasing requirements and conditions, any proposed conditions of approval and a statement establishing a vested property right.
- b. The final PUD development agreement and any other required legal instruments, including but not limited to subdivision plats, easements and maintenance agreements shall be executed by the owner(s) of the property included in the PUD development application, the Director of Community Development, the Town Manager and the Mayor and shall be recorded in the records of the San Miguel County Clerk and Recorder at the applicant's expense.

The SPUD Process is available only for a single parcel of land or contiguous parcels of land, where the owner/owners of the site desire to develop the site as a unified development which achieves the goals of the Comprehensive Plan through the flexibility afforded by the SPUD Process. The MPUD Process is available only for a large-phased PUD project where the property included in the MPUD development application need not be contiguous and the owner/owners desire to achieve the goals of the Comprehensive Plan through the flexibility afforded by the MPUD Process. The SFPUD Process is available only for single-family lots of six acres or more located entirely within the Single Family Zone District and for a single parcel of land or parcels of land where the owner/owners of the site desire to develop the site as a unified development which achieves the goals of the Comprehensive Plan through the flexibility afforded by the SFPUD Process. To the extent of conflict between these PUD Regulations and C.R.S. 29-67-101 et seq., these regulations shall supersede that statute.

D. Review Process

1. SPUD:

- a. **Step 1, Conceptual SPUD.** The conceptual SPUD is processed as a class 4 application.
 - i. The purpose of the conceptual SPUD is to provide the DRB, the Town Council, the applicant and the public an opportunity to engage in an exploratory discussion of the SPUD development proposal (including proposed uses, density, maximum building height and floor area and community benefits), to raise issues and concerns and to examine alternative approaches to development.
 - (a) The DRB shall focus its review and comments on design-related issues pursuant to the Design Regulations.
 - (b) The Town Council shall focus its review on the other issues associated with a SPUD, such as mass and scale, public benefits, density, and general conformance with the Comprehensive Plan.
 - ii. Conceptual SPUD approval authorizes the applicant to submit a sketch PUD development application.
 - iii. Conceptual SPUD approval is effective for a period of twelve (12) months from the date of approval, unless the Town Council, upon request of the applicant, grants an extension of the approval.
- b. **Step 2, Sketch SPUD.** The sketch SPUD is processed as a class 3 application.
 - i. The purpose of the sketch SPUD is for the applicant to present its

development application to the DRB with Design Review Process plans that are designed/engineered solutions to the issues and concerns identified during the conceptual SPUD stage and to address the criteria for decision.

- ii. Sketch SPUD approval authorizes the applicant to submit a final PUD application.
- iii. Sketch SPUD approval shall be effective for a period of twelve (12) months from the date of approval, unless the DRB, upon request of the applicant, grants an extension of the approval.

c. **Step 3, Final SPUD.** The final SPUD is processed as a class 4 application.

- i. The purpose of the final SPUD is for the applicant to address to the DRB and Town Council, in a detailed manner, all issues and concerns raised during the sketch PUD stage and to present the Final SPUD plans and associated documents for consideration.

- (a) The DRB shall focus its review and comments on design-related issues pursuant to the Design Regulations.

- (b) The Town Council shall consider all issues associated with the SPUD, such as mass and scale, public benefits, density, and general conformance with the Comprehensive Plan.

- ii. Final SPUD approval shall include approval of an ordinance rezoning the property to a SPUD and approving the SPUD development agreement.

- iii. Final SPUD approval shall remain in effect for three (3) years following the date of the Town Council ordinance approving the PUD, unless the time frame is extended by Town Council. The Town Council may approve a longer vesting period for a final SPUD based on unique circumstances or development objectives.

d. **Concurrent Review.** Separate rezoning, density transfer and design review process development applications are not required to be submitted concurrent with a SPUD development application; such applications are considered a part of the overall SPUD development application process. If a subdivision is necessary for the proposed SPUD, a subdivision application shall be concurrently processed with a SPUD per the Subdivision Regulations.

e. **Rezoning.** A SPUD application shall concurrently request to rezone to the PUD Zone District.

f. **Final SPUD Development Agreement.**

- i. The final SPUD development application shall be accompanied by a proposed development agreement for consideration by Town Council. The SPUD development agreement shall include:

- (a) Proposed, permitted and accessory uses;

- (b) Density and zoning designations;

- (c) Maximum and average building heights;
- (d) Floor area;
- (e) Permitted variations to the CDC;
- (f) Massing as reflected in associated design review plans;
- (g) Required hotbed mix (if any per the Comprehensive Plan);
- (h) Maximum building height and floor area;
- (i) Any project phasing; and,
- (g) A list of community benefits for the entire SPUD agreement, which specifies which dedications, conditions, contributions etc. are to be made and the triggers of such benefits in connection with any phasing of the project. The development agreement must specify the individual trigger for the required conveyance or payment of the listed community benefit. The final SPUD development agreement shall also address providing the needed requirements for security and completion and warranty of improvements as for any development.

- g. **Vested Rights.** Approval of a SPUD plan application by the Town Council may constitute a site-specific development plan and a vested property right if a developer requests such a concurrent vested property rights development application.

2. SFPUD Review Process:

- a. **Step 1, Conceptual SFPUD.** The conceptual SFPUD is processed as a class 4 application with the special notice requirements described in Section 17.4.4(I) 3.d.

- i. The purpose of the conceptual SFPUD is to provide the SRB, the Town Council, the applicant and the public an opportunity to engage in an exploratory discussion of the SFPUD development proposal including subdivision, density, and community benefits and to raise any other issues and concerns and to examine alternative approaches to development.

- (a) The DRB shall focus its review and comments on lot sizes, compatibility with the surrounding neighborhood, density, as well as any design-related issues pursuant to the Design Regulations.

- (b) The Town Council shall focus its review and comments on lot sizes, compatibility with the surrounding neighborhood, public benefits, density, and general conformance with the Comprehensive Plan.

- ii. Conceptual SFPUD approval authorizes the applicant to submit a final PUD development application.

- iii. Conceptual SFPUD approval is effective for a period of twelve (12) months from the date of approval, unless the Town Council, upon request of the applicant, grants an extension of the approval.
 - b. **Step 2, Final SFPUD.** The final SFPUD is processed as a class 4 application.
 - i. The purpose of the final SFPUD is for the applicant to address to the DRB and Town Council, in a detailed manner, all issues and concerns raised during the conceptual PUD stage, and to present the Final SFPUD plans and associated documents for consideration.
 - (a) The DRB shall focus its review and comments on lot sizes, compatibility with the surrounding neighborhood, density, as well as any design-related issues pursuant to the Design Regulations.
 - (b) The Town Council shall focus its review and comments on lot sizes, compatibility with the surrounding neighborhood, public benefits, density, and general conformance with the Comprehensive Plan.
 - ii. Final SFPUD approval shall include approval of an ordinance approving the SFPUD, which may include a rezoning to Passive Open Space, subdivision and approving the SFPUD development agreement.
 - iii. Final SFPUD approval shall remain in effect for three (3) years following the date of the Town Council ordinance approving the SFPUD, unless the time frame is extended by Town Council. The Town Council may approve longer vesting period for a final SFPUD based on unique circumstances or development objectives.
 - c. **Concurrent Review.** Separate rezoning, density transfer and design review process development applications are not required to be submitted concurrent with a SFPUD development application; such applications are considered a part of the overall SFPUD development application process. If a subdivision is necessary for the proposed SFPUD, a subdivision application shall be concurrently processed with a SFPUD per the Subdivision Regulations.
 - d. **Rezoning.** A SFPUD application shall not be permitted to rezone to any category other than the Single Family Zone District or the Passive Open Space Zone District or a combination thereof.
 - e. **Final SFPUD Development Agreement.**
 - i. The final SFPUD development application shall be accompanied by a proposed development agreement for consideration by Town Council. The SFPUD development agreement shall include:
 - (a) Proposed, permitted and accessory uses;
 - (b) Density and zoning designations;

- (c) Approved additional variations to the CDC;
- (d) Massing as reflected in associated design review plans; and
- (e) A list of community benefits for the entire SFPUD agreement, which specifies which dedications, conditions, contributions etc. are to be made and the triggers of such benefits in connection with any phasing of the project. The development agreement must specify the individual trigger for the required conveyance or payment of the listed community benefit. The final SFPUD development agreement shall also address the provision of the needed requirements for security and completion and warranty of improvements for any development.
- f. **Vested Rights.** Approval of a SFPUD plan application by the Town Council may constitute a site-specific development plan and a vested property right if a developer requests such a concurrent vested property rights development application.

3. MPUD Review Process:

- a. **Step 1: Conceptual Worksession with Town Council.** A conceptual worksession application shall be submitted prior to submitting a MPUD development application to discuss overall proposed development, phasing, uses and densities and community benefits. No outline MPUD application may be submitted until the conceptual worksession has been completed.
- b. **Step 2: MPUD Development Application for Outline MPUD.** The outline MPUD shall be processed as a class 5 application, with the following additional requirements:
 - i. **Development Agreement.** The development application shall be accompanied by a proposed development agreement for consideration by Town Council. The MPUD development agreement shall include:
 - (a) Proposed, permitted and accessory uses;
 - (b) Density and zoning designations for each included parcel;
 - (c) Required hotbed mix (if any per the Comprehensive Plan);
 - (d) Maximum and average building heights;
 - (e) Floor area;
 - (f) Permitted variations to the CDC;
 - (g) The general building massing for each parcel include in the MPUD.
 - (h) Project phasing; and
 - (i) A list of community benefits for the entire MPUD shall be made a part of the development agreement, which specifies which dedications, conditions, etc. are to be made in connection with each parcel or phase of the project when brought in for final MPUD approval. The development agreement must specify the individual trigger for the required conveyance or payment of the

listed community benefit.

- ii. **Density.** Allowed densities are approved subject to density transfer; applicant may choose to process a density transfer at this stage for all or a part of the entire property, which is the subject of the outline MPUD application.
- iii. **Rezoning.** A MPUD application shall concurrently request to rezone to the PUD Zone District.
- iv. **Application of Zoning Designations.** Zoning designations assigned to the property in a MPUD can occur at the outline MPUD stage or the final MPUD stage.
- v. **Subdivision.** Typically not addressed until final MPUD stage; however, applicant may choose to process a subdivision of all or a part of the entire property, which is the subject of the outline MPUD application.
- vi. **Town Council Action.** Town Council approves, with or without conditions of approval, or denies. The form of approval is a rezoning ordinance and an outline MPUD development agreement that shall be recorded in the records of the San Miguel County Clerk and Recorder.
- vii. **Vested Rights.** Approval of an outline MPUD plan application by the Town Council shall constitute a vested property right to the extent covered by the outline PUD development agreement, including zoning, permitted uses, density, maximum building height and floor area.
- viii. **Concurrent Review.** The owner or developer of a MPUD may submit concurrent development applications for density transfer, subdivision and design review that are processed concurrently with the final MPUD per the applicable Development Review Procedures. If not, then the required outline MPUD development agreement shall include a requirement to submit such applications in the future in a logical, phased manner.

c. **Step 3: Final MPUD Plan Stage.** The final MPUD plan development applications shall be processed as a class 4 application to allow individual parcels or phases of the outline MPUD to be brought forward for final approval and development, with the following additional requirements:

- i. **Final PUD Plan Development Applications.** The final MPUD plan stage shall include subdivision, density transfer and Design Review Process applications (as set forth below), to the extent such applications have not already been approved for the site/phase under consideration pursuant to the outline MPUD Process.
 - (a) The Town Council's approval of final MPUD plan development applications shall be by resolution recorded in the records of the San Miguel County Clerk and Recorder.
 - (b) In the event there is a conflict between the Development Review Procedures, regarding PUD development applications and the PUD Regulations, the PUD Regulations shall prevail.
- ii. **Final MPUD Development Agreement.** This agreement is in addition to and supplements the outline MPUD development agreement,

providing the needed requirements for security and completion and warranty of improvements as for any development. This agreement shall repeat the time frame for actual conveyance, construction or payment, as appropriate, and of the relevant community benefits for this phase or parcel, as originally set forth in the development agreement executed as a condition of outline MPUD approval.

- iii. **Vested Rights.** Approval of a final PUD plan application by the Town Council shall constitute a site-specific development plan and a vested property right and replaces the vesting period given at the outline stage with respect to that phase, to the extent covered by the PUD development agreement, including zoning, permitted uses, density and building height and floor area.
- iv. **Challenge.** The final MUPD plan approval is subject to review under C.R.C.P. §106(a)(4), but not subject to referendum.

E. Criteria for Decision

The following criteria shall be met for the review authority to approve ~~a rezoning to the PUD Zone District~~, a PUD application and related concurrent applications, along with the associated PUD development agreement:

1. The proposed PUD is in general conformity with the policies, principles and standards set forth in the Comprehensive Plan;
2. The proposed PUD is consistent with the underlying zone district and zoning designations on the site or to be applied to the site unless the PUD is proposing a variation to such standards;
3. The development proposed for the PUD represents a creative approach to the development, use of land and related facilities to produce a better development than would otherwise be possible and will provide amenities for residents of the PUD and the public in general;
4. The proposed PUD is consistent with and furthers the PUD purposes and intent;
5. The PUD meets the PUD general standards;
6. The PUD provides adequate community benefits;
7. Adequate public facilities and services are or will be available to serve the intended land uses;
8. The proposed PUD shall not create vehicular or pedestrian circulation hazards or cause parking, trash or service delivery congestion; and
9. The proposed PUD meets all applicable Town regulations and standards unless a PUD is proposing a variation to such standards.

F. PUD Relationship to the CDC

The development regulations and standards contained in an approved PUD and its associated development agreement shall supersede the provisions of the CDC to the extent of conflict. Where an approved PUD development agreement does not address specific CDC standards, the specific provisions contained in the CDC shall apply as determined by the Planning Division, subject to a final determination by the relevant review authority. In making this determination, the Planning Division and review authority shall consider the original intent of the PUD, the type of use, intensity of use, type of structure and similar factors to identify the situation covered by the CDC closest in comparison to the situation in

the PUD. Notwithstanding the foregoing, when possible, the PUD and the CDC should be read to be consistent with one another.

G. PUD Community Benefits

1. One or more of the following community benefits shall be provided in determining whether any of the CDC requirements should be varied or if the rezoning to the PUD Zone District and concurrent (for SPUD) or subsequent (for MPUD) rezoning, subdivision, or density transfer request should be granted for a PUD:

Development of, or a contribution to, the development of public benefits or public improvements, or the attainment of principles, policies or actions envisioned in the Comprehensive Plan (unless prohibited under number 2 below), such as benefits identified in the public benefit table.

2. The provision of hotbeds, commercial area, workforce housing or the attainment of other subarea plan principles, policies and actions on development parcels identified in a subarea plan development table shall not be considered community benefits as required by this section, and are instead required in order to achieve general conformance with the Comprehensive Plan.
3. For SFPUD one or more of the following community benefits shall be provided in determining whether any of the CDC requirements should be varied or if a rezoning, subdivision or density transfer request should be granted for a SFPUD:
 - a. Rezoning to Passive Open Space Zone District, contribution of Plassive Open Space parcels to the Town, provision of additional workforce housing, the attainment of principles, policies or actions envisioned in the Comprehensive Plan or such other community benefits as the Town Council determines necessary and appropriate under the circumstances.

H. Comprehensive Plan Project Standards

Each final SPUD or MPUD plan shall include specific criteria and requirements to satisfy the following Comprehensive Plan project standards:

1. Visual impacts shall be minimized and mitigated to the extent practical, while also providing the targeted density identified in each subarea plan development table. It is understood that visual impacts will occur with development.
2. Appropriate scale and mass that fits the site(s) under review shall be provided.
3. Environmental and geotechnical impacts shall be avoided, minimized and mitigated, to the extent practical, consistent with the Comprehensive Plan, while also providing the target density identified in each subarea plan development table.
4. Site-specific issues such as, but not limited to the location of trash facilities, grease trap cleanouts, restaurant vents and access points shall be addressed to the satisfaction of the

- Town.
5. The skier experience shall not be adversely affected, and any ski run width reductions or grade changes shall be within industry standards.

I. General Standards

1. **Authority to Initiate.** A development application for a PUD may be filed only by the owner(s) of fee title to all land to be included within such PUD or other person holding written consent thereto from the owner(s) of all land to be included in such PUD, or any combination thereof. No PUD may be approved without the written consent of the landowner(s) whose property is included in the PUD.
2. **Eligible Property.**
 - a. **SPUD.** A development application for a SPUD may be made for a single parcel of land or contiguous parcels of land controlled by a single landowner or by a group of landowners to be developed as a unified plan pursuant to the PUD Regulations.
 - b. **MPUD.** A development application for a MPUD may be made for either a single parcel of land, contiguous parcels of land or noncontiguous parcels of land controlled by a single landowner or by a group of landowners to be developed as a unified project.
 - a. **SFPUD.** A development application for a SFPUD may be made for a single parcel of land or contiguous parcels of land controlled by a single landowner or by a group of landowners to be developed as a unified plan pursuant to the PUD Regulations.
3. **Minimum PUD Size.** There is no minimum land area or property size to be included in a SPUD or MPUD application.
4. **Minimum Density.**
 - a. **SPUD.** The minimum density to be included in a SPUD is ten (10) dwelling units. Commercial, public and other non-residential projects may also be proposed as part of an SPUD.
 - b. **MPUD.** The minimum density to be included in a MPUD is fifty (50) dwelling units. Commercial, public and other non-residential projects may also be proposed as part of an MPUD.
 - c. **SFPUD.** The minimum density to be included in an SFPUD is two (2) dwelling units on lots that are a minimum of three (3) acres. The only non-residential elements which may be proposed as part of a SFPUD shall be Passive Open Space parcels.
5. **Rezoning Ordinance Required.** Any PUD application shall be required to request rezoning to the PUD Zone District as a part of the PUD Process. The PUD development review process is a Rezoning Process, and a concurrent rezoning development application shall not be required. Because a PUD results in a rezoning to the PUD Zone District, any PUD approval shall be by ordinance.

- a. All ordinances for rezonings that change the zone district to PUD shall be accompanied by a map that shows the new zoning and the boundaries of such district.
- b. A PUD development agreement shall not become effective or be recorded until thirty (30) days after the date of the ordinance approving the same.

6. Prior-Approved PUDs.

- a. PUDs approved prior to the effective date of the CDC are valid and enforceable under the terms and conditions of the approved development agreements. Modifications to such PUDs may be proposed pursuant to the PUD amendment process.
- b. A developer of a PUD approved prior to the effective date of the CDC may propose to create a new PUD pursuant to the PUD Regulations following the process and requirements set forth herein.

7. Density Transfer. An increase in density shall require the transfer of density to the property from the density bank or other lot(s) within the town boundaries, except for the creation of additional workforce housing, subject to the workforce housing restriction.

- a. For a SPUD, a separate density transfer development application is not required.
- b. For a SFPUD, a separate density transfer development application is not required.
- c. For outline MPUD, the PUD development agreement shall require a separate density transfer application unless a concurrent density transfer is requested at the outline MPUD stage.
- d. All density transfer requests shall conform to the Density Limitation and the CDC.

8. Landscaping and Buffering. The landscaping and public spaces proposed for the PUD shall provide buffering of uses from one another to minimize adverse impacts and shall create attractive public spaces consistent with the character of the surrounding environment, neighborhood and area.

9. Infrastructure. The development proposed for the PUD shall include sufficient infrastructure, including but not limited to vehicular and pedestrian access, mass transit connections, parking, traffic circulation, fire access, water, sewer and other utilities.

10. Phasing. Each phase (if any) of the development proposed for the PUD shall be self-sufficient and not dependent upon later phases. Phases shall be structured so that the failure to develop subsequent phases shall not have any adverse impacts on the PUD, the surrounding environment, neighborhood and area.

J. Vested Rights

- 1. The PUD Zone District applied to property included in a PUD shall be valid in perpetuity unless the Town Council rezones such land to another zone district, upon application by the owner or on Town Council's own motion.

2. The SFPUD zoning shall only be for Single Family Zone District, and Passive Open Space.
3. The PUD development agreement shall establish a vested property right to allow for development envisioned in the PUD development agreement as provided for in the PUD Regulations.
4. Upon the expiration of the vesting period set forth in the relevant PUD development agreement, the agreement shall require the owner(s) or developer(s) to submit a new SPUD or MPUD development application, as applicable, in order to proceed with development.

K. Guarantee of Public Improvements

A PUD developer shall be responsible for the construction of all infrastructure, public facilities and improvements that are necessary for the development of the PUD or that are required as a condition of approval of the PUD or by the CDC. The developer shall also be responsible for entering into an improvements agreement for the construction of public improvements in a form and amount satisfactory to the Town. The guarantee of public improvements shall be contained in the PUD development agreement and be in general conformance with the public improvements policy set forth in the Subdivision Regulations.

L. Enforcement of the PUD Plan

- 1. By the Town.** The PUD development agreement shall run with and be a burden upon the land to which it applies. The rights and obligations set forth in the PUD development agreement shall run in favor of the Town and shall be enforceable at law or in equity by the Town without limitation on any power or regulation otherwise granted by law.
- 2. By Residents, Occupants and Owners.** Those provisions of the PUD plan expressly running in favor of the residents, occupants and owners of the PUD, whether recorded by plat, covenant, easement or otherwise, may be enforced at law or in equity by such residents, occupants or owners acting individually, jointly or through an organization designated in the PUD plan to act on their behalf.
- 3. Relinquishment of Resident and Owner Rights.** Residents and owners in a PUD may, to the extent and in the manner expressly authorized by the provisions of the PUD, modify, remove or release their rights to enforce the provisions of the plan, but no such action shall affect the right of the Town to enforce the provisions of the plan.

M. Modification or Revocation of a PUD by the Town

- 1.** The PUD development agreement shall provide for the right of the Town to modify or revoke a PUD for failure to comply with specific PUD requirements.
 - a. In order to modify or revoke a PUD the Town shall follow the same Development Review Procedures required to create a PUD as outlined in the PUD Regulations.
 - b. The owner(s) of property within the PUD boundary shall be notified of any

modification, revocation or rezoning initiated by the Town.

2. Any Town Council action modifying or revoking a PUD development agreement will leave the PUD Zone District, density and zoning designations on a site, nullify the PUD development agreement and shall require the submission of a new PUD development application to allow any further development. The modification or revocation shall consider the effect of the modification or revocation on the completed development areas within the PUD which have been issued a certificate of occupancy and sold to a bonafide third party purchaser who is not affiliated with the original applicant or developer.

N. **Planned Unit Development Amendment Process**

1. **Type of Amendment**

- a. **Minor Amendments.** A proposed PUD amendment is considered minor, as determined by the Director of Community Development, if it meets the following criteria for decision:
 - i. The PUD amendment is not substantial and maintains the intent and integrity of the PUD development agreement and the associated plan sets, including but not limited to the required community benefits, or other public benefits or improvements outlined in the PUD development agreement;
 - ii. The PUD amendment does not change the density, zoning designation, increase the floor area or significantly alter any approved building scale and mass of the development; and
 - iii. The PUD amendment will not result in a net decrease in the amount of open space nor result in a change in character of any of the open space proposed within the PUD.
- b. **Major PUD Amendments.** A PUD amendment that is not classified as a minor amendment is considered a major amendment.

2. **Review Process**

- a. **Minor Amendments.** Minor PUD amendment development applications shall be processed as class 1 development applications.
- b. **Major Amendments.** Major PUD amendment development applications shall be processed as class 4 development applications.

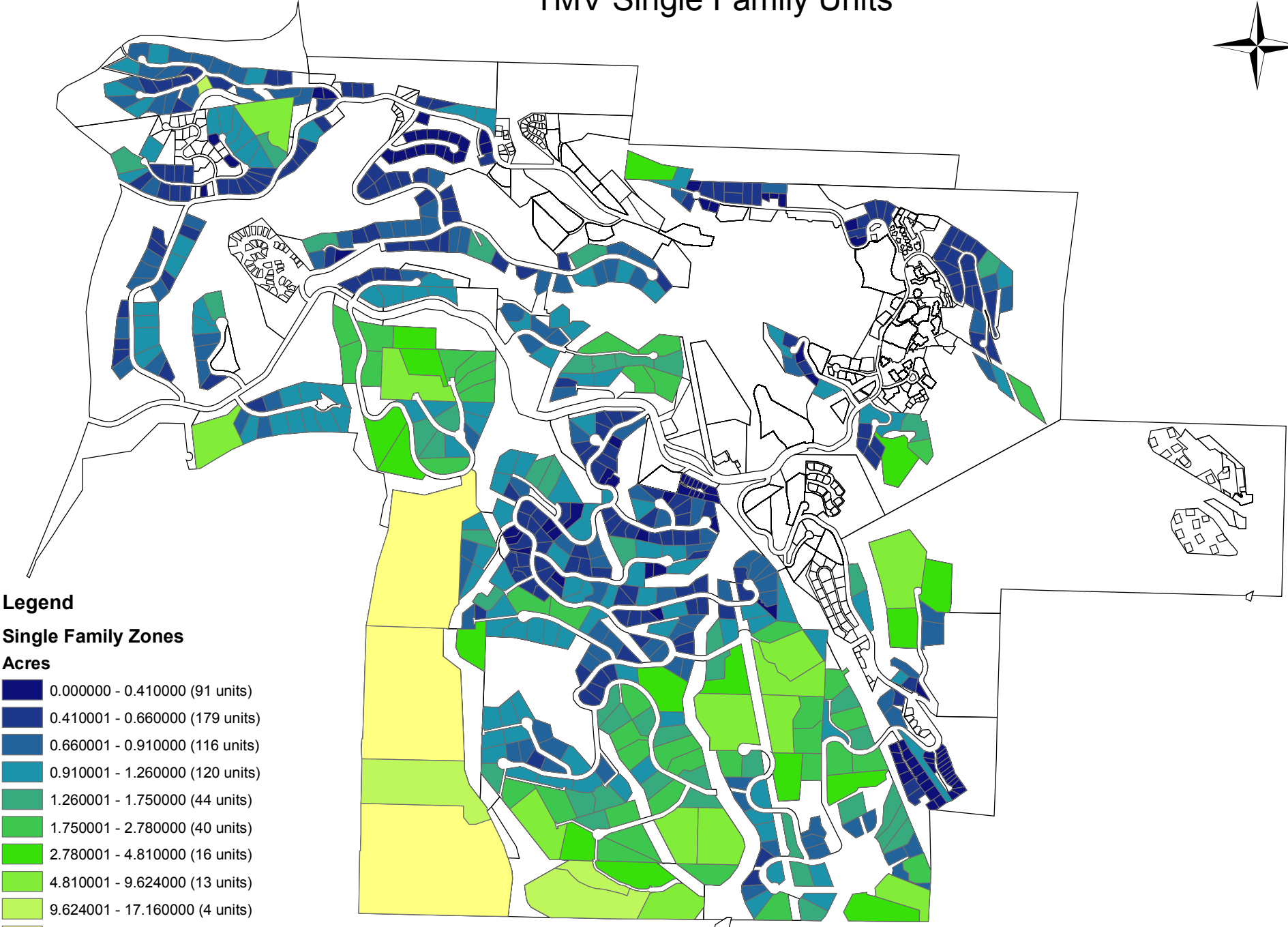
3. **Authority to Initiate a PUD Amendment**

- a. Amendments to a PUD plan may be initiated by any of the following persons or entities acting alone or together:

- i. The owners of fee title to at least sixty-seven percent (67%) of the real property within the PUD;
- ii. An individual or entity having written permission of the property owner(s) described in section I.1 above; or
- iii. The Town.

4. Criteria for Decision. The criteria for decision for a PUD amendment are the same as for the creation of a PUD.

TMV Single Family Units

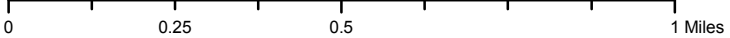


Legend

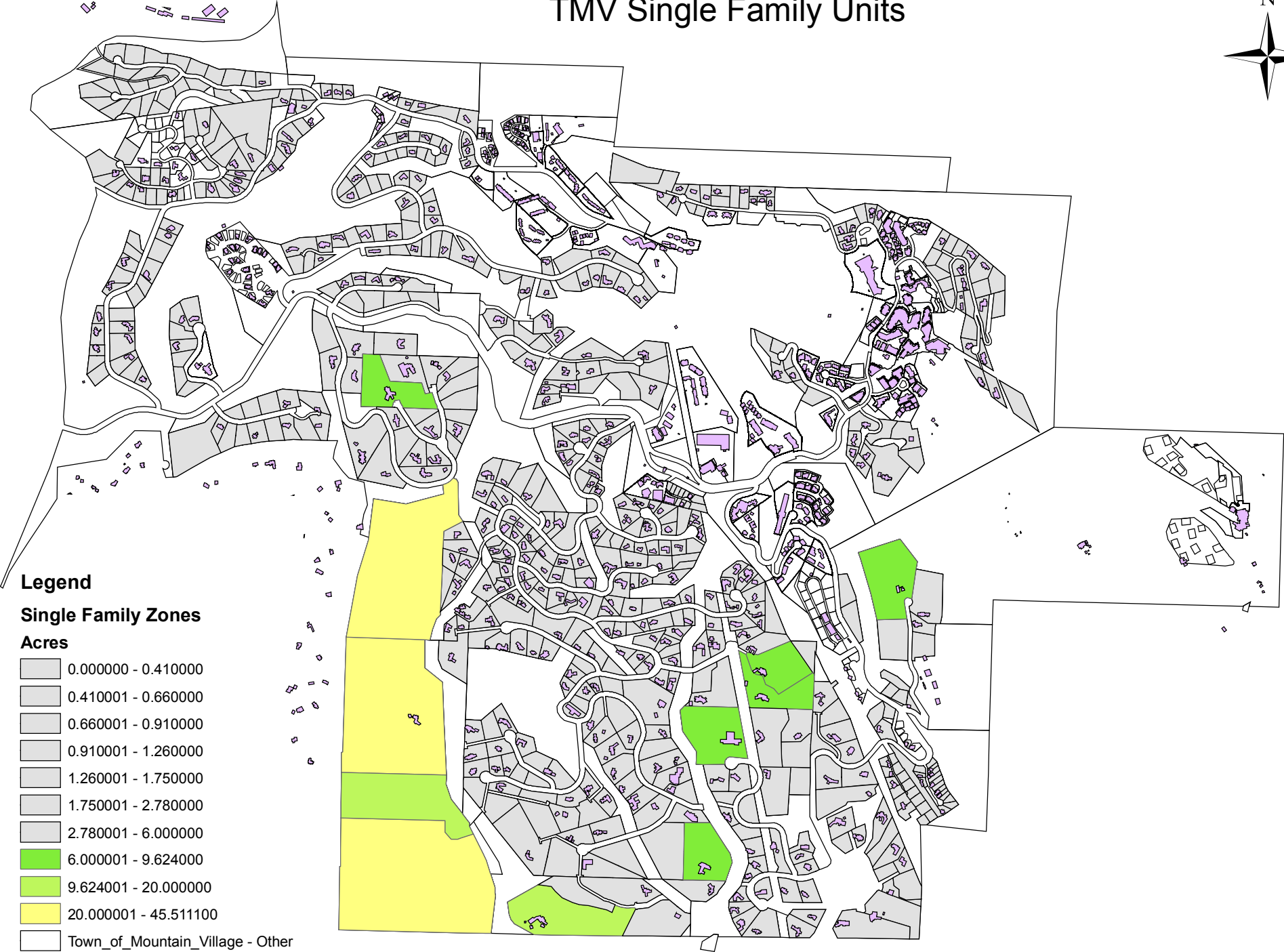
Single Family Zones

Acres

0.000000 - 0.410000	(91 units)
0.410001 - 0.660000	(179 units)
0.660001 - 0.910000	(116 units)
0.910001 - 1.260000	(120 units)
1.260001 - 1.750000	(44 units)
1.750001 - 2.780000	(40 units)
2.780001 - 4.810000	(16 units)
4.810001 - 9.624000	(13 units)
9.624001 - 17.160000	(4 units)
17.160001 - 45.511100	(3 units)
Town_of_Mountain_Village - Other	



TMV Single Family Units



Legend

Single Family Zones

- Acres
- 0.000000 - 0.410000
 - 0.410001 - 0.660000
 - 0.660001 - 0.910000
 - 0.910001 - 1.260000
 - 1.260001 - 1.750000
 - 1.750001 - 2.780000
 - 2.780001 - 6.000000
 - 6.000001 - 9.624000
 - 9.624001 - 20.000000
 - 20.000001 - 45.511100
- Town_of_Mountain_Village - Other
- Building_Outlines

0 0.25 0.5 1 Miles

From: [Thomas Kennedy](#)
To: [Glen Van Nimwegen](#)
Cc: [Jim Mahoney](#)
Subject: RE: Single Family District Rezoning and Lot Splits
Date: Wednesday, July 06, 2016 6:32:54 PM
Attachments: [image001.png](#)

Glen

Thanks for sending along the Staff Report which relates to the referenced CDC changes.

I do not represent anyone who is currently interested in pursuing an application that might seek to use these code provisions. That said, generally, it looks like the approach staff has drafted has been well thought out and balances rights and interests of land owners.

I do note my concern and opposition to suggestions made in an email included in the packet, sent to the Town by Mr. Mauriello, the land planner from Vail who is assisting some Mt Village lot owners. Mr. Mauriello is encouraging the Town to modify the proposed CDC amendments to establish two sets of standards for the proposed SFPUD submission and review requirements, one standard having generally applicability to all single-family lots in the Mt. Village and a different, more onerous standard which would apply only to four particular single-family lots he specifically calls out in his correspondence to the Town, which are located at the edge of the Mt Village, are larger in size when compared to most other Mt. Village lots and happen to be located close to some of his clients.

When considering an amendment to a land use code, the governing body is generally required to adopt measures that apply to similar property in a uniform manner. The land use code measures are also expected to conform to the municipalities master plan. The language of the Mt Village Comp Plan relating to replatting and rezoning of single family lots, addresses, among other things, a goal of providing separation and buffering when creating new lots, which are goals much more readily achievable when dealing with more land. The Comp Plan does not draw a distinction based upon lot sizes. As a practical matter, it does not follow that more stringent requirements should apply to larger tracts of land, which, by their very nature are more likely to be able to meet the code standards and Comp Plan expectations (ie spacing of lots and buffering). In any event, it is my view that creating and applying two differing sets of standards for similarly zoned single-family property, under these conditions, would constitute illegal spot zoning and should not be considered by the Town

Thank You
Tom Kennedy

The Law Offices of Thomas G. Kennedy
P.O. Box 3081 (Mailing Address)
The Willow Professional Building
307 East Colorado Avenue, Suite 203
Telluride, Colorado 81435
Voice: (970)728-2424

Fax: (970)728-9439
Email Address tom@tklaw.net

CONFIDENTIALITY NOTICE:

This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please do not open any attachment and then notify the sender that you have erroneously received this message and delete this email message and any attachments. Thank you.

From: Glen Van Nimwegen [mailto:GVanNimwegen@mtnvillage.org]
Sent: Wednesday, July 06, 2016 4:40 PM
To: Thomas Kennedy
Cc: Jim Mahoney
Subject: Single Family District Rezoning and Lot Splits

Tom: per your request, attached is the complete staff report that is going to the DRB tomorrow for a recommendation to Council.

Glen Van Nimwegen, AICP
Director of Planning and Development Services
970-369-8250



From: [Kendra Carberry](#)
To: [Glen Van Nimwegen](#); [Jim Mahoney](#); [Thomas Kennedy](#)
Cc: [Dominic Mauriello](#); [David Heaney](#)
Subject: FW: Single Family District Rezoning and Lot Splits
Date: Thursday, July 07, 2016 9:03:15 AM
Attachments: [image001.png](#)

Glen, Jim and Tom,

Dominic forwarded to me the email from Tom citing concerns about spot zoning, and my clients asked me to weigh in. While I agree that the land use code should conform to the comprehensive plan, I do not agree that a restriction that would apply (currently) to four lots in Mountain Village would constitute spot zoning. Spot zoning is typically zoning aimed at one particular lot, not a group of lots or a particular type of lot. Moreover, these restrictions could apply equally to larger lots created by assemblage later.

Regardless, however, spot zoning is no longer a real legal issue. Every single PUD constitutes spot zoning, and courts have recognized that PUDs are valid zoning tools. In addition, many land use codes have different requirements for larger lots. If the legislative purpose is to keep larger lots large, such a goal would be valid.

As such, I do not see any legal issues with the approach of treating larger lots differently. I would be glad to discuss in more detail if you like. Thanks.

Kendra L. Carberry
Hoffmann, Parker, Wilson & Carberry, P.C.
511 16th Street, Suite 610
Denver, CO 80202
direct – (303) 951-2095
office – (303) 825-6444

From: Dominic Mauriello [mailto:dominic@mpgvail.com]
Sent: Thursday, July 07, 2016 7:30 AM
To: Kendra Carberry; David Heaney
Subject: Fwd: Single Family District Rezoning and Lot Splits

Dominic F. Mauriello, AICP
Mauriello Planning Group, LLC
[PO Box 4777](#)
[2205 Eagle Ranch Road](#)
[Eagle, Colorado 81631](#)
[970-376-3318](#) cell
www.mpgvail.com

Begin forwarded message:

From: Glen Van Nimwegen <GVanNimwegen@mtnvillage.org>
Date: July 7, 2016 at 7:19:34 AM MDT
To: "dominic@mpgvail.com" <dominic@mpgvail.com>
Subject: **Fwd: Single Family District Rezoning and Lot Splits**

FYI

Sent from my iPhone

Begin forwarded message:

From: Thomas Kennedy <tom@tklaw.net>
Date: July 6, 2016 at 6:32:48 PM MDT
To: Glen Van Nimwegen <GVanNimwegen@mtnvillage.org>
Cc: Jim Mahoney <jmahoney@jdreedlaw.com>
Subject: **RE: Single Family District Rezoning and Lot Splits**

Glen

Thanks for sending along the Staff Report which relates to the referenced CDC changes.

I do not represent anyone who is currently interested in pursuing an application that might seek to use these code provisions. That said, generally, it looks like the approach staff has drafted has been well thought out and balances rights and interests of land owners.

I do note my concern and opposition to suggestions made in an email included in the packet, sent to the Town by Mr. Mauriello, the land planner from Vail who is assisting some Mt Village lot owners. Mr. Mauriello is encouraging the Town to modify the proposed CDC amendments to establish two sets of standards for the proposed SFPUD submission and review requirements, one standard having generally applicability to all single-family lots in the Mt. Village and a different, more onerous standard which would apply only to four particular single-family lots he specifically calls out in his correspondence to the Town, which are located at the edge of the Mt Village, are larger in size when compared to most other Mt. Village lots and happen to be located close to some of his clients.

When considering an amendment to a land use code, the governing body is generally required to adopt measures that apply to similar property in a uniform manner. The land use code measures are also expected to conform to the municipalities

master plan. The language of the Mt Village Comp Plan relating to replatting and rezoning of single family lots, addresses, among other things, a goal of providing separation and buffering when creating new lots, which are goals much more readily achievable when dealing with more land. The Comp Plan does not draw a distinction based upon lot sizes. As a practical matter, it does not follow that more stringent requirements should apply to larger tracts of land, which, by their very nature are more likely to be able to meet the code standards and Comp Plan expectations (ie spacing of lots and buffering). In any event, it is my view that creating and applying two differing sets of standards for similarly zoned single-family property, under these conditions, would constitute illegal spot zoning and should not be considered by the Town

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Tom Kennedy

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Tom: per your request, attached is the complete staff report that is going to the DRB tomorrow for a recommendation to Council.

Glen Van Nimwegen, AICP

Director of Planning and Development Services
970-369-8250



From: [Banks Brown](#)
To: [Forward bbrown](#); [Forward dcraige](#); [Forward deckman](#); [Forward ggarner](#); [Forward jvatter](#); [Forward kbrown](#); [Forward ltrujillo](#); [Forward pevans](#); "Caton Liz"
Cc: [Glen Van Nimwegen](#); [Dave Bangert](#)
Subject: DRB July 7
Date: Wednesday, July 06, 2016 8:42:58 PM

Fellow Board Members,

I'm unable to attend tomorrow's meeting but did want to share my comments on a number of the agenda items we'll be considering.

Agenda Item 3. My concern on the amending the CDC is addressed in the letter we received from Thomas Kennedy. I think it is poor public policy to set two standards for further subdivision especially when common sense would usually lead you to think that larger parcels could more successfully mitigate impact than smaller parcels. Yet what seeing is the reverse. My inclination is to follow the Comp Plan's direction. There are significant reviews throughout the process that have historically proven to be more than adequate.

Agenda Item 4. I find this submittal well within the boundaries of submittals we receive and with Board's directives should be approved..

Agenda Item 5. I find that Staff's review and recommendation is well reasoned and responds to the Board's concerns and comments during the work session. Their Background summation is thorough and accurate. Their comments in the Composition and Design Theme are spot on. My comments are that the siting of the home is superb. The impact of the structure from adjoining homes and Mountain village Blvd. should be applauded. The reduced height that benefits neighbors, the weight of the construction from Highlands Way, the preservation of unique forest, a melding of other architecture on the street, the materials certainly call out our present time and gently move Mountain Village architecture forward. I agree with staff and think this home benefits this particular site and preserves the integrity of the surrounding terrain, forest, and helps reduce the scale of neighborhood by presenting a less massive profile. I, likewise, would recommend approval.

Agenda Item 8. I feel Staff's recommendation appropriate with the signed agreement.

BANKS D. BROWN
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137 W. Colorado Ave.
Telluride, CO 81435
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F 888 739 7868



Memo

Agenda Item #9

To: Mayor Jansen and Town Council
From: J. David Reed
CC: File
Date: July 14, 2016
Re: Ordinance Extending Moratorium on Subdivision of Single Family Lots

In your packets under Agenda Item #9 you will find a draft ordinance that extends the temporary moratorium on the rezoning of single family lots that was established by ordinance at the April Town Council meeting. Under the ordinance adopted in April the moratorium is scheduled to expire on August 1, 2016.

Under this ordinance, the moratorium would be extended to the earlier of 30 days following the second reading and adoption of an ordinance amending Section 17.3.4(F)(4) of the Community Development Code or October 1, 2016.

**AN EMERGENCY ORDINANCE OF THE TOWN COUNCIL
OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO
EXTENDING ORDINANCE NO. 2016-05 ESTABLISHING A TEMPORARY
MORATORIUM PROHIBITING THE REZONING
OF SINGLE FAMILY LOTS**

ORDINANCE NO. 2016-_____

RECITALS

1. The Town Council adopted Ordinance 2016-05 on April 21, 2016 enacting a temporary moratorium to allow sufficient time to conduct a public hearing(s) to listen to and consider the concerns of its constituents regarding possible amendments to the Section 17.3.4(F)(4) of the Town's Community Development Code which allows the further subdivision of single-family lots to create additional lots and the transfer of additional density to be transferred onto a single-family lot under certain limited conditions. By the terms of Ordinance 2016-05, the temporary moratorium expires on August 1, 2016, unless extended by a duly adopted ordinance by the Town Council.
2. The Town Council now finds that it is in the best interests of the Town to extend the moratorium to allow the Town Council to consider a proposed ordinance amending the Community Development Code to address certain issues concerning single-family lot subdivision as set forth herein.
3. There is an emergency that warrants the enactment of this Ordinance and extension of the temporary moratorium. Failure to impose proper regulations may allow subdivision of single-family lots to proceed.
4. This moratorium was enacted after a public hearing in compliance with Colorado statutes.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO, THAT:

1. Extension of Temporary Moratorium.

The moratorium is hereby extended until the earlier of the 30 days following the second reading and adoption of an ordinance amending Section 17.3.4(F)(4) of the Community Development Code or October 1, 2016, unless otherwise extended by a duly adopted ordinance by the Town Council.

2. Effective Date.

Pursuant to Article V, Section 5.8 of the Charter, this temporary moratorium is effective immediately upon adoption as it is necessary for the immediate preservation

of the public health and safety of the citizens of the Town for the reasons recited herein.

3. Ordinance Effect.

This Ordinance shall not have any effect on existing litigation and shall not operate as an abatement of any action or proceeding now pending under or by virtue of the ordinances repealed or amended as herein provided, and the same shall be construed and concluded under such prior ordinances.

4. Severability.

The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause or portion of this Ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of this Ordinance.

5. Publication of Notice.

Pursuant to Article V, Section 5.8 of the Charter, the Town Clerk shall publish a notice of this Ordinance within five (5) days after enactment of this Ordinance.

INTRODUCED, READ AND ADOPTED at public hearing before the Town Council of the Town of Mountain Village, Colorado, on the 21st day of July, 2016.

**TOWN OF MOUNTAIN VILLAGE,
COLORADO, A HOME-RULE
MUNICIPALITY**

By: _____
Dan Jansen, Mayor

ATTEST:

Jackie Kennefick, Town Clerk

Approved As To Form:

J. David Reed, Town Attorney

I, Jackie Kennefick, the duly qualified and acting Town Clerk of the Town of Mountain Village, Colorado ("Town") do hereby certify that:

1. The attached copy of Emergency Ordinance No. 2016-_____ ("Ordinance") is a true, correct and complete copy thereof.

2. The Ordinance was introduced, read and adopted at a public hearing by the Town Council of the Town of Mountain Village, Colorado, (the "Town Council") at a regular meeting held at Town Hall, 455 Mountain Village Blvd., Mountain Village, Colorado, on July 21, 2011, by the affirmative vote of a quorum of the Town Council as follows:

Council Member Name	"Yes"	"No"	Absent	Abstain
Dan Jansen, Mayor				
Martin McKinley				
Bruce MacIntire				
Dan Caton				
Laila Benitez				
Cath Jett				
Michelle Sherry				

3. The Ordinance has been signed by the Mayor, sealed with the Town seal, attested by me as Town Clerk, and duly numbered and recorded in the official records of the Town.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Town this _____ day of _____, 2016.

Jackie Kennefick, Town Clerk

(SEAL)



**Business and Government Activity Report
For the month ending: June 30th**

Activity	2016		2015		Variance	
	MONTH	YTD	MONTH	YTD	Variance	Variance %
Cable/Internet						
# Residential & Bulk Basic Cable	949		892		57	6.4%
# Premium Channel Residential & Bulk Subscribers	530		492		38	7.7%
# Digital Subscribers	260		288		(28)	-9.7%
# Internet Subscribers	1,717		1,622		95	5.9%
Average # Phone Subscribers	94		90		4	4.4%
Village Court Apartments						
Occupancy Rate %	98.65%	98.95%	97.75%	99.10%	-0.15%	-0.2%
# Vacated Units	3	13	7	17	(4)	-23.5%
# Work Orders Completed	42	199	46	199	0	0.0%
# on Waiting List	63		113		(50)	-44.2%
Public Works						
Service Calls	497	2,565	326	2,164	401	18.5%
Snow Fall Inches	0	142	0	104	38	36.5%
Snow Removal - Streets & Prkg Lots Hours	0	2,000	0	1,691	309	18.3%
Roadway Maintenance Hours	650	1,573	444	1,480	93	6.3%
Water Billed Consumption Gal.	14,992,000	66,296,000	10,049,000	66,907,000	(611,000)	-0.9%
Sewage Treatment Gal.	9,764,000	54,005,000	7,087,000	46,855,000	7,150,000	15.3%
Child Development Fund						
# Infants & Toddlers Actual Occupancy	21.41	131.12	19.28	115.90	15.22	13.1%
# Preschoolers Actual Occupancy	15.94	91.34	14.90	90.96	0.38	0.4%
Transportation and Parking						
Bus passengers are up significantly due to the power outage and high winds, shutting gondola down and increasing bus service.						
GPG (noon snapshot)	4,645	28,938	3,202	13,091	15,847	121.1%
GPG Parking Utilization (% of total # of spaces occupied)	33.7%	34.9%	23.2%	15.8%	19.1%	120.9%
HPG (noon snapshot)	898	8,974	803	8,213	761	9.3%
HPG Parking Utilization (% of total # of spaces occupied)	28.2%	47.0%	25.3%	43.0%	4.0%	9.3%
Total Parking (noon snapshot)	10,323	60,016	8,463	45,119	14,897	33.0%
Parking Utilization (% of total # of spaces occupied)	42.5%	41.2%	34.9%	31.0%	10.2%	32.9%
Paid Parking Revenues	\$39,349	\$120,234	\$19,607	\$176,776	(\$56,542)	-32.0%
Bus Routes # of Passengers	6,600	14,609	7,014	14,451	158	1.1%
Employee Shuttle # of Passengers	1,294	8,198	1,582	9,251	(1,053)	-11.4%
Employee Shuttle Utilization Rate %	50.8%	49.7%	58.1%	52.2%	-2.50%	-4.8%
Inbound (Vehicle) Traffic (Entrance) # of Cars	69,785	359,179	68,830	353,225	5,954	1.7%
New hires: 5 gondola operators, 9 recreation (bike park, disc golf) Terminations: 2 gondola operators, 1 horticulturalist PT/YR ee's: 13 child care, 7 town council, 1 judge Open positions: VCA Property Mgr, Associate Planner, VCA Maintenance, Horticulturalist, gondola operators, groundskeeper Reasons for termination: 1 quit/ no notice; 1 non-compliance with drug policy; 1 No call/no show						
Human Resources						
FT Year Round Head Count	76		80		(4)	-5.0%
Seasonal Head Count (FT & PT)	10		8		2	25.0%
PT Year Round Head Count	21		22		(1)	-4.5%
Gondola FT YR, Seasonal, PT YR Head Count	59		59		0	0.0%
Total Employees	166		169		(3)	-1.8%
Gondola Overtime Paid Hours	288	1563	177	954	609	63.8%
Other Employee Overtime Paid	111	576	177	533	42	7.9%
# New Hires Total New Hires	14	30	10	42	(12)	-28.6%
# Terminations	3	9	3	34	(25)	-73.5%
# Workmen Comp Claims	0	7	2	4	3	75.0%
Workmen Comp Claims Costs	\$0	\$6,310	\$1,981	\$2,635	\$3,675	139.5%
Turnover	1.80%	5.40%	1.80%	20.10%	-14.70%	-73.1%
Gondola Recruiting Costs	\$0	\$5,583	\$319	\$2,743		0.0%
Other Recruiting Costs	\$0	\$3,675	\$1,106	\$6,780		0.0%
Marketing & Business Development						
Total Users/Total Sessions	256/348	1,814/2,961	1,192/1,561	7,438/10,299	-5624/-7338	-75%/-71%
Town Hosted Meetings	4	31	4	27	4	14.8%
Email Correspondence Sent	11	42	19	68	(26)	-38.2%
E-mail List #	11,185		na		#VALUE!	#VALUE!
Wifi Subscribers	10,301		na		#VALUE!	#VALUE!
Press Releases Sent	8	19	10	18	1	5.6%
Gondola and RETA						
Current RETA revenues are unaudited						
Gondola # of Passengers	293,702	1,339,811	264,871	1,257,368	82,443	6.6%
Chondola # of Passengers	0	85,398	0	87,074	(1,676)	-1.9%
RETA fees collected by TMOVA	\$593,666	\$2,134,012	\$277,290	\$2,194,290	(\$60,278)	-2.7%

Activity	2016		2015		Variance		
	MONTH	YTD	MONTH	YTD	Variance	Variance %	
Police							
Calls for Service	#	415	2,216	584	2,798	(582)	-20.8%
Investigations	#	28	127	25	124	3	2.4%
Alarms	#	17	158	25	126	32	25.4%
Arrests	#	3	13	2	8	5	62.5%
Traffic Contacts	#	34	109	21	131	(22)	-16.8%
Traffic Tickets Written	#	4	16	3	21	(5)	-23.8%
Parking Tickets Written	#	296	1,953	331	1,854	99	5.3%
Administrative Dismissals	#	25	90	13	71	19	26.8%
Building/Planning							
Community Development Revenues		\$151,097	\$606,393	\$339,585	\$675,871	(\$69,478)	-10.3%
# Permits Issued		17	52	13	44	8	18.2%
Valuation of Building Permits Issued		\$566,227	\$11,605,262	\$11,852,532	\$20,509,611	(\$8,904,349)	-43.4%
# Inspections Completed		306	1,244	278	1,136	108	9.5%
# Design Review/Zoning Agenda Items		5	24	4	28	(4)	-14.3%
# Staff Review Approvals		43	144	32	85	59	69.4%
Recreation							
Mile of Trails Maintained		9.8	16.4	9.6	15.7	1	4.5%
Adventure Rock Registrations		343	472	359	542	(70)	-12.9%
Bike Park Waivers		490	490	1055	1055	(565)	-53.6%
Bike Park Trips		1786	1786	2240	2240	(454)	-20.3%
Disc Golf Registrations		270	270	507	894	(624)	-69.8%
Platform Tennis Registrations		27	221	0	194	27	13.9%
Plaza Services Due to the timing of the packet, trash diversion rates are for the previous month.							
Snow Removal Plaza	Hours	0	1,283	0	820	463	56.5%
Plaza Maintenance	Hours	173	1,754	206.5	1777	(24)	-1.3%
Lawn Care	Hours	323	576	274.25	623	(47)	-7.6%
Plant Care	Hours	546	1,156	638	1107	48	4.4%
Irrigation	Hours	132	257	159.5	302	(46)	-15.1%
TMV Trash Collection	Hours	114	612	114.5	623	(11)	-1.8%
Christmas Decorations	Hours	0	514	0	539	(25)	-4.7%
Residential Trash	Pound	20,250	122,100	12,900	75,675	46,425	61.3%
Residential Recycle	Pound	20,000	109,027	14,386	82,029	26,998	32.9%
Diversion Rate	%	49.69%	47.17%	52.72%	52.01%	-4.84%	-9.3%
Vehicle Maintenance							
# Preventive Maintenance Performed		21	103	23	118	(15)	-12.7%
# Repairs Completed		26	154	28	153	1	0.7%
Special Projects		3	21	6	23	(2)	-8.7%
# Roadside Assists		0	1	0	2	(1)	-50.0%
Finance							
# Employee Based Business Licenses Issued		17	692	22	614	78	12.7%
# Privately Licensed Rentals		3	75	3	56	19	33.9%
# Property Management Licensed Rentals		1	344	1	330	14	4.2%
# VRBO Listings for MV		449		354		95	26.8%
# Paperless Billing Accts (YTD is total paperless customers)		53	630	14	510	120	23.5%
# of TMV AR Bills Processed		2,153	12,458	2,032	11,938	520	4.4%
Accounts Receivable - Total Bad Debt Reserve/Allowance: \$20,034							
Current 30+ Days 60+ Days 90+ Days over 120 days Total	TMV Operating Receivables (includes Gondola funding)		Utilities - Cable and Water/Sewer		VCA - Village Court Apartments		General Fund Investment Activity Change in Value (\$236,959) Ending Balance \$4,507,821 Investment Income \$1,250 Portfolio Yield 1.04%
	\$ 1,027,228	96.2%	\$ 208,621	77.0%	\$ (27,557)	120.5%	
	116	0.0%	51,127	18.9%	400	-1.7%	
	1,386	0.1%	7,195	2.7%	-	0.0%	
	3,572	0.3%	3,925	1.4%	4,280	-18.7%	
	35,703	3.3%	43	0.0%	-	0.0%	
	\$ 1,068,004	100.0%	\$ 270,911	100.0%	\$ (22,877)	100.0%	
Current 30+ Days 60+ Days 90+ Days over 120 days Total	Other Billings - CDF, Construction Parking, Commercial Trash		Total All AR		Change Since Last Month - Increase (Decrease) in AR		Other Statistics Population (estimated) 1,395 Registered Voters 1,412 Property Valuation 294,538,840
	\$ 15,869	49.0%	\$ 1,224,161	90.8%	\$ 715,806	96.2%	
	4,013	12.4%	55,655	4.1%	22,710	3.1%	
	3,068	9.5%	11,649	0.9%	507	0.1%	
	2,835	8.8%	14,612	1.1%	5,732	0.8%	
	6,575	20.3%	42,321	3.1%	(899)	-0.1%	
	\$ 32,359	100.0%	\$ 1,348,398	100.0%	\$ 743,856	100.0%	



Memorandum

To: Town Council
From: Kevin Swain, Finance Director
Date: July 14, 2016
Re: Town of Mountain Village Financial Statements through May 2016

Mountain Village Financials Statements through May, 2016

General Fund Summary

The General Fund currently reflects a surplus of \$2.75 million. Development related revenues have increased significantly from prior year and budget. Sales taxes show an increase of 2% over prior year (after a prior period refund adjustment) and less than 1% under budget. Revenues of \$6.1 million were over budget by \$393,000 due mainly to property tax collections, development related revenues, and investment income.

Total operating expenditures of \$3 million were under budget by \$148,000. There was no capital outlay through this period.

Transfers to other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Parking Services	\$ 2,099	\$ 48,703	\$ 14,803	(33,900)
Conference Center Subsidy	\$ 27,986	\$ 94,470	\$ 96,540	2,069
Affordable Housing Development Fund (Monthly Sales Tax Allocation)	\$ 9,347	\$ 209,850	\$ 211,440	1,590
Child Development Fund	\$ 9,837	\$ 39,823	\$ 12,743	(27,080)
Vehicle & Equipment Acquisition Fund	\$ 84,837	\$ 171,303	\$ 171,303	-
Capital Projects Fund (From GF)	\$ 8,142	\$ 29,807	\$ 29,807	-

Income transfers from other funds include:

Fund	This Month	YTD Budget	YTD Actual	Budget Variance
Overhead allocation from Cable, W/S, Gondola, VCA and Parking Services	\$ 38,316	\$ 185,235	\$ 189,147	3,912
Debt Service Fund (Specific ownership taxes)	\$ 13,916	\$ 33,203	\$ 58,859	25,656
*Tourism Fund	\$ 729	\$ 10,873	\$ 12,951	2,078

*This transfer is comprised of administrative fees, interest, and penalties collected.

Vehicle and Equipment Acquisition Fund – No Fund Income Statement Attached

A snowmobile for the recreation department, a four wheeler for Road & Bridge, a lawn mower and utility vehicle for Plaza services, and a new bobcat were purchased and the bobcat leases have been paid.

Capital Projects Fund – No Fund Income Statement Attached

\$29,807 was spent on the Meadows Improvement Plan.

Historical Museum Fund – No Fund Income Statement Attached

\$81,124 in property taxes were collected and \$79,500 was tendered to the historical museum. The county treasurer retained \$1,624 in treasurer’s fees.

Mortgage Assistance Fund – No Fund Income Statement Attached

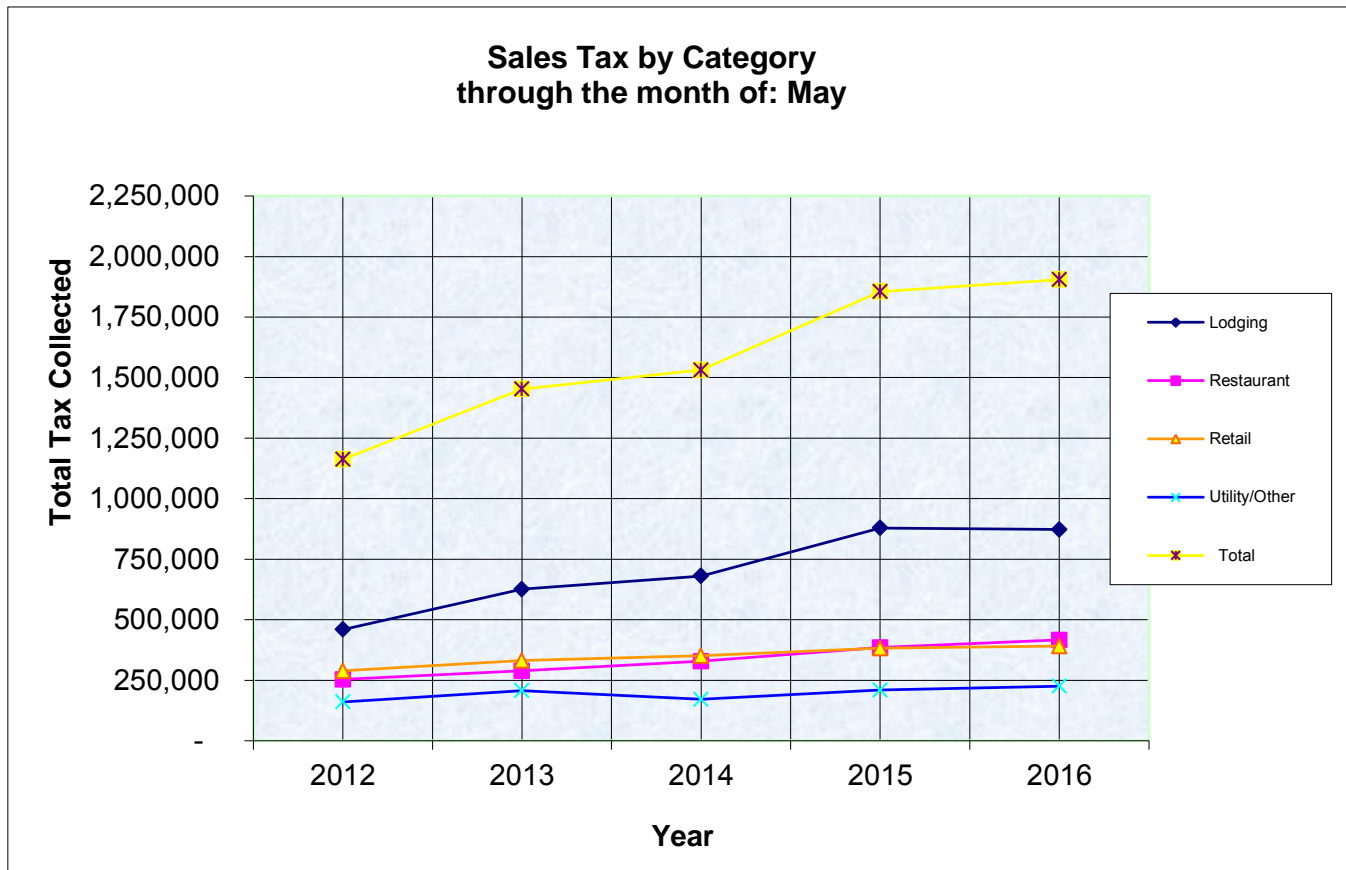
There has been no activity in this fund to date.

Sales Tax

Sales taxes of \$1.9 million are 2% over 2015 through this period and are under budget by less than 1%.

Utility/Other shows the highest growth of 8% followed by restaurant at 7.95%.

Actual Sales Tax Base By Class, Through May 2016										
Category	Actual 2012	Actual 2013	PY % Increase	Actual 2014	PY % Increase	Actual 2015	PY % Increase	Actual 2016	PY \$ Variance	PY % Increase
	4.5%	4.5%	2012 to 2013	4.5%	2013 to 2014	4.5%	2014 to 2015	4.5%	2015 to 2016	2015 to 2016
Lodging	10,216,813	13,911,842	36%	15,122,109	9%	19,532,707	29%	19,388,374	(144,333)	-0.74%
Restaurant	5,628,729	6,420,435	14%	7,303,814	14%	8,562,896	17%	9,243,595	680,699	7.95%
Retail	6,421,813	7,353,061	15%	7,795,319	6%	8,492,476	9%	8,686,520	194,044	2.28%
Utility/Other	3,564,679	4,601,047	29%	3,807,277	-17%	4,648,127	22%	5,020,486	372,359	8.01%
Total	25,832,034	32,286,386	25%	34,028,519	5%	41,236,206	21%	42,338,974	1,102,768	2.67%



Tourism Fund

2016 restaurant taxes totaling \$181,430 have been collected and \$177,801 was tendered to the airline guarantee program. \$769,727 in lodging taxes were collected and \$758,181 was tendered to the airline guarantee program and to MTI. The Town retained \$15,175 in administrative fees, and penalties and interest of \$1,205. Additional funding of \$25,000 was expended for Gay Ski Week.

Lodging taxes are trailing prior year by 1.5% and are exceeding budget by 2.8%. Restaurant taxes are ahead of prior year and budget by 7.4% and 10.9%, respectively. For the month of May, restaurant taxes are 17% under May 2015 and lodging taxes are 7.3% over May 2015. April taxes can vary depending on the mountain closing date.

Town of Mountain Village Colorado Lodging Tax Summary								
	2012	2013	2014	2015	2016	2015	2016	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
January	105,787	167,378	159,264	216,904	193,815	-10.64%	208,102	-7.37%
February	135,434	151,727	170,098	231,700	249,339	7.61%	224,686	9.89%
March	150,548	203,235	248,285	303,173	303,779	0.20%	288,511	5.03%
April	7,619	9,382	7,291	12,319	6,659	-45.95%	11,812	-77.39%
May	8,673	10,684	10,627	15,282	16,135	5.58%	14,961	7.28%
June	55,581	77,013	74,275	84,204	-	-100.00%	81,722	#DIV/0!
July	77,661	93,602	109,838	136,711	-	-100.00%	133,287	#DIV/0!
August	74,889	84,727	88,929	88,990	-	-100.00%	87,460	#DIV/0!
September	62,057	69,349	82,891	113,475	-	-100.00%	110,649	#DIV/0!
October	16,867	16,450	17,383	22,812	-	-100.00%	22,228	#DIV/0!
November	6,618	6,761	11,840	11,372	-	-100.00%	10,898	#DIV/0!
December	164,045	191,249	226,508	260,822	-	-100.00%	249,213	#DIV/0!
Total	865,780	1,081,555	1,207,229	1,497,763	769,727	-48.61%	1,443,529	-87.54%
Tax Base	21,644,491	27,038,867	30,180,718	37,444,087	19,243,178		36,088,225	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2012	2013	2014	2015	2016	2015	2016	Budget
	Activity	Activity	Activity (2%)	Activity (2%)	Activity (2%)	Var %	Budget	Var %
	(2%)	(2%)						
January	28,754	34,448	38,239	46,261	48,594	5.04%	44,258	8.92%
February	34,996	41,121	48,466	53,871	56,160	4.25%	51,539	8.23%
March	42,723	47,045	53,516	60,420	70,689	17.00%	57,805	18.23%
April	3,506	2,518	1,995	2,876	1,511	-47.46%	2,751	-82.11%
May	2,469	3,913	5,154	5,457	4,477	-17.97%	5,221	-16.63%
June	17,098	19,116	25,366	25,426	-	-100.00%	24,326	#DIV/0!
July	25,929	27,921	32,661	40,081	-	-100.00%	37,969	#DIV/0!
August	20,958	25,645	25,017	29,015	-	-100.00%	27,759	#DIV/0!
September	17,813	19,982	23,831	32,169	-	-100.00%	30,776	#DIV/0!
October	7,258	5,468	5,369	9,492	-	-100.00%	9,081	#DIV/0!
November	4,524	4,668	5,765	6,637	-	-100.00%	6,349	#DIV/0!
December	39,565	42,983	49,923	55,055	-	-100.00%	52,672	#DIV/0!
Total	245,593	274,828	315,303	366,759	181,430	-50.53%	350,508	-93.19%
Tax Base	12,279,634	13,741,420	15,765,152	18,337,941	9,071,481		17,525,400	

Business license fees of \$269,341 are over budget (10%) and prior year. \$253,181 was remitted to MTI and \$21,558 in admin fees and penalties were transferred to the General Fund.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016						2015	2014	2013
	Budget	Budget	Budget	Annual	Budget	Actual YTD	Actual YTD	Actual YTD	
	YTD	Variance	Variance	Budget	Balance				
Actual YTD		(\$)	(%)						
General Fund									
Revenues									
Charges for Services	\$ 143,828	\$ 113,592	\$ 30,236	26.62%	\$ 281,440	\$ 137,612	\$ 116,161	\$ 92,395	\$ 345,518
Contributions	14,562	6,682	7,880	117.93%	49,913	35,351	25,539	1,923	4,174
Fines and Forfeits	6,226	2,036	4,190	205.80%	6,077	(149)	2,264	1,888	948
Interest Income	36,398	18,626	17,772	95.42%	45,000	8,602	41,295	39,508	11,238
Intergovernmental	260,221	245,904	14,317	5.82%	379,030	118,809	226,340	233,947	264,657
Licenses and Permits	151,900	90,315	61,585	68.19%	261,655	109,755	126,705	75,309	227,197
Miscellaneous Revenues	30,015	29,628	387	1.31%	90,492	60,477	26,796	35,528	43,531
Taxes and Assessments	5,421,259	5,164,719	256,540	4.97%	8,699,766	3,278,507	5,057,371	4,648,022	5,450,331
Total Revenues	6,064,409	5,671,502	392,907	6.93%	9,813,373	3,748,964	5,622,471	5,128,520	6,347,594
Operating Expenses									
Legislation & Council	21,256	22,277	(1,021)	-4.58%	121,497	100,241	5,943	3,448	6,081
Town Manager	93,457	93,528	(71)	-0.08%	229,893	136,436	89,418	88,314	87,124
Administrative Services	145,369	151,969	(6,600)	-4.34%	389,005	243,636	131,542	139,323	123,862
Finance	391,697	407,894	(16,197)	-3.97%	821,872	430,175	404,314	382,611	380,203
Technical	84,310	80,326	3,984	4.96%	192,590	108,280	82,284	77,938	82,239
Human Resources	118,642	119,897	(1,255)	-1.05%	306,020	187,378	100,359	105,231	102,513
Town Attorney	250,411	250,489	(78)	-0.03%	494,677	244,266	233,339	176,266	160,134
Marketing and Business Development	115,035	120,937	(5,902)	-4.88%	398,044	283,009	98,745	76,876	80,004
Municipal Court	10,462	11,754	(1,292)	-10.99%	30,963	20,501	10,639	11,666	10,975
Police Department	290,184	311,290	(21,106)	-6.78%	827,957	537,773	299,153	267,281	296,823
Community Services	17,675	20,751	(3,076)	-14.82%	52,004	34,329	19,169	19,122	18,582
Community Grants and Contributions	26,000	26,000	-	0.00%	76,000	50,000	20,000	59,000	39,000
Roads and Bridges	257,277	280,228	(22,951)	-8.19%	1,138,706	881,429	259,158	295,664	251,817
Vehicle Maintenance	185,496	192,890	(7,394)	-3.83%	473,430	287,934	176,250	176,117	184,912
Municipal Bus/Dial-A-Ride	59,684	38,459	21,225	55.19%	157,725	98,041	36,027	39,584	189,101
Employee Shuttle	17,566	37,355	(19,789)	-52.98%	103,590	86,024	19,642	28,578	28,824
Parks & Recreation	152,991	173,429	(20,438)	-11.78%	512,668	359,677	147,811	154,930	103,333
Plaza and Environmental Services	489,875	516,414	(26,539)	-5.14%	1,452,442	962,567	434,607	459,462	419,671
Public Refuse Removal and Residential Trash Billing Services	16,957	22,232	(5,275)	-23.73%	54,999	38,042	20,250	17,570	88,483
Building/Facility Maintenance	60,261	63,625	(3,364)	-5.29%	210,684	150,423	58,518	43,624	56,241
Planning & Development Services	2,954	3,771	(817)	-21.67%	9,149	6,195	2,433	2,150	1,241
Building Division	108,555	113,509	(4,954)	-4.36%	280,886	172,331	73,077	74,519	57,193
Housing Division Office	8,021	8,395	(374)	-4.46%	20,951	12,930	7,298	7,176	37,517
Planning and Zoning Division	117,095	121,665	(4,570)	-3.76%	451,019	448,065	98,065	111,184	95,045
Contingency	-	-	-	#DIV/0!	88,068	80,047	-	-	-
Total Operating Expenses	3,041,230	3,189,084	(147,854)	-4.64%	8,894,839	5,959,729	2,828,041	2,817,634	2,900,918
Surplus / Deficit	3,023,179	2,482,418	540,761	21.78%	918,534	(2,210,765)	2,794,430	2,310,886	3,446,676
Capital Outlay	-	-	-	#DIV/0!	105,000	105,000	64,391	84,337	88,399
Surplus / Deficit	3,023,179	2,482,418	540,761	21.78%	813,534	(2,209,645)	2,730,039	2,226,549	3,358,277
Other Sources and Uses									
Sale of Assets	4,822	-	4,822	#DIV/0!	-	(4,822)	29,834	10,568	1,685
Transfer (To) From Affordable Housing	(211,440)	(209,850)	(1,590)	0.76%	(423,000)	(211,560)	(210,149)	(169,368)	(162,650)
Transfer (To) From Broadband	-	-	-	#DIV/0!	-	-	69,973	65,084	47,942
Transfer (To) From Child Development	(12,743)	(39,823)	27,080	-68.00%	(126,349)	(29,809)	(2,359)	(7,094)	(8,815)
Transfer (To) From Capital Projects	(29,807)	(29,807)	-	0.00%	(300,000)	(312,951)	-	-	-
Transfer (To) From Debt Service	58,859	33,203	25,656	77.27%	82,264	(106,883)	60,211	57,562	47,874
Transfer (To) From Overhead Allocation	189,147	185,235	3,912	2.11%	454,594	265,447	172,624	188,077	180,449
Transfer (To) From Parking Services	(14,803)	(48,703)	33,900	-69.61%	(94,319)	(81,576)	45,770	(43,069)	26,453
Transfer (To) From Conference Center	(96,540)	(94,470)	(2,069)	2.19%	(204,168)	(204,168)	(43,689)	(50,465)	(61,165)
Transfer (To) From Tourism	12,951	10,873	2,078	19.12%	14,816	(44,043)	48,760	33,300	(63,471)
Transfer (To) From Vehicle/Equipment	(171,303)	(171,303)	-	0.00%	(422,338)	(251,035)	(45,146)	(92,192)	(40,617)

	2016				2015	2014	2013		
	Actual YTD	Budget YTD	Budget Variance	Budget Variance	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
			(\$)	(%)					
Transfer (To) From Water/Sewer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(270,856)	(364,645)	93,789	-25.72%	(1,018,500)	(981,401)	125,827	(7,597)	(32,315)
Surplus / Deficit	\$ 2,752,323	\$ 2,117,773	\$ 634,550	29.96%	\$ (204,966)	\$ (3,191,046)	\$ 2,855,866	\$ 2,218,952	\$ 3,325,962
Beginning Fund Balance Components	Actual YTD				Annual Budget				
Emergency Reserve	\$ 3,113,194				\$ 3,113,194				
Unreserved	5,872,154				4,331,084				
Beginning Fund Balance	\$ 8,985,348				\$ 7,444,278				
YTD Ending Fund Balance Components									
Emergency Reserve	\$ 3,113,194				\$ 3,113,194				
Health Care Premium Savings Reserve	50,000				50,000				
Facility Maint Reserve	155,000				155,000				
Unreserved	8,419,477				3,695,706				
Ending Fund Balance	\$ 11,737,671				\$ 7,013,900				

Revenues

Taxes & Assessments - Specific Ownership taxes collected are exceeding budget (20%) and prior year (7%). Sales tax revenues are less than 1% under budget and .2% over prior year. Construction use tax is exceeding budget and prior year.

Licenses & Permits - Construction permits are over budget by \$38,925. Electrical and plumbing permits are over budget \$15,300 and \$8,284.

Intergovernmental - Intergovernmental revenues are now exceeding budget due to highway user tax collections.

Charges for Services - Plan review and DRB fees are over budget by \$25,000 and over prior year \$16,000. Energy mitigation and road impact fees are also exceeding budget.

Fines & Forfeitures - Over budget due to building construction fines.

Investment Income - Interest is exceeding budget and trailing prior year.

Miscellaneous - Under budget in van rider revenues but over in plaza use rents.

Contributions - Energy rebates are the only collections in this category.

Top Ten Budget Variances

Under Budget

Plaza and Environmental Services - \$26,539 Employee costs and paver repair savings.

Road & Bridge - \$22,951 Gasoline (\$14,500), paving (\$5,100), and sand/de-icer (\$5,700) are under budget.

Police - \$21,106 Savings in personnel costs due to lower overtime, gasoline, and communications.

Parks and Recreation - \$20,438 Under budget in ice rink expense and labor costs.

Employee Shuttle - \$19,729 Gasoline and personnel costs are under budget.

Finance - \$16,197 Under budget for property insurance and credit card and bank fees.

Vehicle Maintenance- \$7,394 Savings in utilities and oil.

Admin Services- \$6,600 Savings in facility expense and utilities.

Over Budget

Municipal Bus Service - \$21,225 Overage in salaries and wages due to a PTO pay out for a retiring employee and reallocation of employee health insurance.

Technical - \$3,984 Over budget in Adobe licenses and an (unbudgeted) property maintenance tracking software.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016						2015	2014	2013
	Actual	Budget	Budget	Budget	Annual	Budget	Actual	Actual	Actual
	YTD	YTD	Variance	Variance	Budget	Balance	YTD	YTD	YTD
		(\$)	(%)						
Tourism Fund									
Revenues									
Business License Fees	\$ 269,341	\$ 245,892	\$ 23,449	10%	\$ 277,546	\$ 8,205	\$ 249,748	\$ 246,522	\$ 242,245
Lodging Taxes - Condos/Homes	440,340	401,651	38,689	10%	736,200	295,860	448,331	269,194	267,098
Lodging Taxes - Hotels	329,388	347,417	(18,029)	-5%	707,329	377,941	330,709	326,371	275,307
Lodging Taxes - Prior Year	786	-	786	#DIV/0!	-	(786)	4,600	781	870
Penalties and Interest	6,603	6,652	(49)	-1%	10,000	3,397	18,631	6,614	8,545
Restaurant Taxes	181,430	161,575	19,855	12%	350,508	169,078	168,885	147,372	129,045
Restaurant Taxes - Prior Year	85	-	85	#DIV/0!	-	(85)	568	88	164
Total Revenues	1,227,973	1,163,187	64,786	6%	2,081,583	853,610	1,221,472	996,942	923,274
Tourism Funding									
Additional Funding	25,000	25,000	-	0%	38,000	13,000	-	-	100,000
Airline Guaranty Funding	555,437	525,387	30,050	6%	1,050,827	495,390	550,048	436,720	392,830
MTI Funding	634,585	601,927	32,658	5%	975,440	340,855	622,665	526,922	493,915
Total Tourism Funding	1,215,022	1,152,314	62,708	95%	2,064,267	849,246	1,172,712	963,642	986,745
Surplus / Deficit	12,951	10,873	2,078	19%	17,316	4,364	48,760	33,300	(63,471)
Administrative Fees									
Audit Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Total Administrative Fees	-	-	-	#DIV/0!	2,500	2,500	-	-	-
Surplus / Deficit	12,951	10,873	2,078	19%	14,816	1,864	48,760	33,300	(63,471)
Other Sources and Uses									
Transfer (To) From Other Funds	(12,951)	(10,873)	(2,078)	19%	(14,816)	(1,864)	(48,760)	(33,300)	63,471
Total Other Sources and Uses	(12,951)	(10,873)	(2,078)	19%	(14,816)	(1,864)	(48,760)	(33,300)	63,471
Surplus / Deficit	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -

Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016

	2016				2015	2014	2013		
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Parking Services Fund									
Revenues									
Contributions/Shared Facility Expenses	\$ -	\$ 3,160	\$ (3,160)	-100%	\$ 18,500	\$ 18,500	\$ 1,321	\$ 1,389	\$ 3,079
Fines and Forfeits	25,605	6,558	19,047	290%	7,900	(17,705)	18,949	5,915	4,866
Gondola Parking Garage	15,995	36,068	(20,073)	-56%	89,825	73,830	79,883	49,626	56,881
Heritage Parking Garage	58,126	47,994	10,132	21%	98,752	40,626	74,389	71,001	77,608
Parking Meter Revenues	1,206	2,530	(1,324)	-52%	7,061	5,855	4,358	4,204	6,357
Parking Permits	3,375	1,818	1,557	86%	6,499	3,124	4,755	5,385	4,465
Special Event Parking	60	-	60	#DIV/0!	41,000	40,940	-	-	5,000
Total Revenues	104,367	98,128	6,239	6%	269,537	165,170	183,655	137,520	158,256
Operating Expenses									
Other Operating Expenses	2,439	1,915	524	27%	4,630	2,191	1,124	274	483
Personnel Expenses	51,959	59,948	(7,989)	-13%	134,885	82,926	52,850	57,237	59,285
Gondola Parking Garage	16,694	24,416	(7,722)	-32%	58,625	41,931	14,997	21,460	19,194
Surface Lots	9,242	9,958	(716)	-7%	31,260	22,018	15,418	7,722	4,905
Heritage Parking Garage	22,231	33,989	(11,758)	-35%	101,325	79,094	30,530	51,521	32,674
Meadows Parking	-	-	-	#DIV/0!	-	-	-	-	-
Total Operating Expenses	102,565	130,226	(27,661)	-21%	330,725	228,160	114,919	138,214	116,541
Surplus / Deficit	1,802	(32,098)	33,900	-106%	(61,188)	(62,990)	68,736	(694)	41,715
Capital									
Capital	4,800	4,800	-	0%	4,800	-	10,895	29,232	-
Surplus / Deficit	(2,998)	(36,898)	33,900	-92%	(65,988)	(62,990)	57,841	(29,926)	41,715
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Overhead Allocation	(11,805)	(11,805)	-	0%	(28,331)	(16,526)	(12,071)	(13,143)	(15,262)
Transfer (To) From General Fund	14,803	48,703	(33,900)	-70%	94,319	79,516	(45,770)	43,069	(26,453)
Total Other Sources and Uses	2,998	36,898	(33,900)	-92%	65,988	62,990	(57,841)	29,926	(41,715)
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -

Parking revenues are over budget \$6,200. GPG and parking meter revenue is running under budget but is made up for in parking fines and at HPG. Expenditures are under budget primarily due to personnel costs, tech support, GPG electricity, and GPG & HPG elevator maintenance. The year to date subsidy transfer from the General Fund is \$12,706.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016				Annual Budget	Budget Balance	2015	2014	2013
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Gondola Fund									
Revenues									
Event Operations Funding	\$ 4,944	\$ -	\$ 4,944	#DIV/0!	\$ -	\$ (4,944)	\$ 5,425	\$ 3,825	\$ 5,499
Event Operations Funding - SMC/TOT	-	-	-	#DIV/0!	36,000	36,000	-	-	-
Operations Grant Funding	54,134	54,134	-	0.00%	150,100	95,966	35,355	20,712	-
Capital/MR&R Grant Funding	235,594	235,594	-	0.00%	818,600	583,006	-	-	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Miscellaneous Revenues	158	-	158	#DIV/0!	-	(158)	100	607	393
Sale of Assets	3,350	-	3,350	#DIV/0!	-	(3,350)	10,500	558	-
TMVOA Operating Contributions	1,254,764	1,475,694	(220,930)	-14.97%	3,901,812	2,647,048	1,320,077	1,315,045	1,384,734
TMVOA Capital Contributions	885,838	849,680	36,158	4.26%	2,515,900	1,630,062	65,437	279,993	15,892
TSG 1% Lift Sales	152,913	123,012	29,901	24.31%	160,000	7,087	139,315	119,195	99,601
Total Revenues	2,591,695	2,738,114	(146,419)	-5.35%	7,582,412	4,990,717	1,576,209	1,739,935	1,506,119
Operating Expenses									
MAARS	22,852	26,020	(3,168)	-12.18%	74,048	51,196	23,669	23,040	25,961
Chondola	122,829	136,238	(13,409)	-9.84%	471,942	349,113	96,424	96,964	83,704
Grant Success Fees	-	-	-	#DIV/0!	58,122	58,122	-	-	18,457
Operations	628,218	686,637	(58,419)	-8.51%	1,762,841	1,134,623	630,989	608,760	615,955
Maintenance	473,918	548,839	(74,921)	-13.65%	1,239,631	765,713	551,008	504,646	494,714
FGOA	222,446	255,106	(32,660)	-12.80%	533,041	310,595	208,682	226,532	251,436
Major Repairs and Replacements	343,617	345,921	(2,304)	-0.67%	1,100,000	756,383	65,437	263,256	15,892
Contingency	-	-	-	#DIV/0!	108,287	108,287	-	-	-
Total Operating Expenses	1,813,880	1,998,761	(184,881)	-9.25%	5,347,912	3,534,032	1,576,209	1,723,198	1,506,119
Surplus / Deficit	777,815	739,353	38,462	5.20%	2,234,500	-	-	16,737	-
Capital									
Capital Outlay	777,815	739,353	38,462	5.20%	2,234,500	1,456,685	-	16,737	-
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -

The gondola fund is \$3,600 under budgeted expenditures.

MARRS is under budget with savings in employee costs, this is due to budgeting for training, meeting, practice, and re-rides that may not always be used or needed.

Chondola expenses are under budget due mainly to operations salaries and wages and utilities. Gondola operations is under budget in employee costs including worker's compensation (\$20,500) and S&W (\$18,500). Maintenance is under budget with savings in worker's compensation (\$15,700) and salaries and wages (\$27,400).

FGOA costs are under budget with savings in tech support, electricity and natural gas. MR&R expense is for conveyor and gearbox rebuilds, painting, and bullwheel replacement. Capital expenditures were for AC drives and motors, grip replacements, and gondola cabins.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016						2015	2014	2013	
	Actual	Budget	Budget	Budget	Annual	Budget	Actual YTD	Actual YTD	Actual YTD	
	YTD	YTD	Variance	Variance	Budget	Balance				
			(\$)	(%)						
Child Development Fund										
Revenues										
Daycare Fees	\$ 117,520	\$ 94,685	22,835	24.12%	\$ 237,697	\$ 120,177	\$ 100,537	\$ 99,734	\$ 104,883	
Fundraising Revenues - Daycare	1,115	877	238	27.14%	8,500	7,385	1,384	990	1,375	
Fundraising Revenues - Preschool	-	387	(387)	-0.58%	3,500	(67,997)	374	680	-	
Grant Revenues - Daycare	14,799	21,440	(6,641)	-30.97%	35,000	20,201	16,593	17,390	17,792	
Grant Revenues - Preschool	7,783	4,990	2,793	55.97%	15,000	7,217	9,780	5,880	6,710	
Preschool Fees	71,497	66,408	5,089	7.66%	163,515	163,515	69,742	71,126	75,438	
Total Revenues	212,714	188,787	23,927	12.67%	463,212	250,498	198,410	195,800	206,198	
Operating Expenses										
Daycare Other Expense	32,812	27,023	5,789	21.42%	75,090	42,278	21,185	25,164	27,927	
Daycare Personnel Expense	132,312	122,180	10,132	8.29%	319,511	187,199	118,242	110,991	125,199	
Preschool Other Expense	12,348	14,302	(1,954)	-13.66%	43,415	31,067	13,366	10,004	12,813	
Preschool Personnel Expense	47,985	65,105	(17,120)	-26.30%	151,545	103,560	47,976	56,735	49,074	
Total Operating Expenses	225,457	228,610	(3,153)	-1.38%	589,561	364,104	200,769	202,894	215,013	
Surplus / Deficit	(12,743)	(39,823)	27,080	-68.00%	(126,349)		(2,359)	(7,094)	(8,815)	
Other Sources and Uses										
Contributions	-	-	-	#DIV/0!	-	-	-	-	-	
Transfer (To) From General Fund	12,743	39,823	27,080	68.00%	126,349	113,606	2,359	7,094	8,815	
Total Other Sources and Uses	12,743	39,823	27,080	68.00%	126,349	113,606	2,359	7,094	8,815	
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -	

Child Development revenues are \$24,000 over budget. Daycare fees are over budget 24%. Preschool fees are exceeding budget by 8%. Operating expenses are \$3,153 under budget due to preschool personnel costs and other expenses. Daycare is running ahead of budget but preschool is below budget because of the director's allocation. The fund has required \$12,743 from the General Fund to date.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016						2015	2014	2013
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Water & Sewer Fund									
Revenues									
Mountain Village Water and Sewer	\$ 815,088	\$ 783,209	\$ 31,879	4.07%	\$ 2,145,991	\$ 1,330,903	\$ 800,946	\$ 763,584	\$ 829,672
Other Revenues	4,134	6,657	(2,523)	-37.90%	24,050	19,916	4,313	3,640	4,209
Ski Ranches Water	54,718	50,940	3,778	7.42%	129,222	74,504	52,666	51,123	51,389
Skyfield Water	7,239	7,297	(58)	-0.79%	18,947	11,708	7,985	6,746	8,339
Total Revenues	881,179	848,103	33,076	3.90%	2,318,210	1,437,031	865,910	825,093	893,609
Operating Expenses									
Mountain Village Sewer	136,884	143,847	(6,963)	-4.84%	535,452	398,568	131,767	125,027	117,219
Mountain Village Water	291,023	305,174	(14,151)	-4.64%	1,037,276	746,253	300,337	283,600	296,182
Ski Ranches Water	6,429	15,399	(8,970)	-58.25%	47,487	41,058	7,416	10,862	11,267
Contingency	-	-	-	#DIV/0!	32,404	32,404	-	-	-
Total Operating Expenses	434,336	464,420	(30,084)	-6.48%	1,652,619	1,218,283	439,520	419,489	424,668
Surplus / Deficit	446,843	383,683	63,160	16.46%	665,591		426,390	405,604	468,941
Capital									
Capital Outlay	102,954	139,339	(36,385)	-26.11%	489,550	386,596	87,192	107,098	103,954
Surplus / Deficit	343,889	244,344	99,545	40.74%	176,041		339,198	298,506	364,987
Other Sources and Uses									
Overhead Allocation Transfer	(57,273)	(57,273)	-	0.00%	(137,455)	(80,182)	(50,893)	(55,313)	(51,829)
Mountain Village Tap Fees	34,356	20,500	13,856	67.59%	35,000	644	45,244	5,503	85,280
Grants	-	-	-	#DIV/0!	-	-	-	-	-
Ski Ranches Tap Fees	-	-	-	#DIV/0!	5,000	5,000	-	5,000	-
Skyfield Tap Fees	-	-	-	#DIV/0!	2,000	2,000	-	-	-
Telski Tap Fee/Water Credit	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(22,917)	(36,773)	13,856	-37.68%	(95,455)	(72,538)	(5,649)	(44,810)	33,451
Surplus / Deficit	\$ 320,972	\$ 207,571	\$ 113,401	54.63%	\$ 80,586		\$ 333,549	\$ 253,696	\$ 398,438

Excess water fees and snow making fees exceeded budget, \$23,300 and \$6,300. Ski Ranches revenues are over budget due to base fees, although excess and irrigation water fees are lagging. Skyfield revenues are on budget. Other revenues are under budget in maintenance and late charges.

Sewer expenditures are under budget in regional sewer charges (TOT) and gasoline. MV water is under budget mainly in property insurance and legal but is over budget for electricity, which is driven by snowmaking as well as normal water usage. Ski Ranches water costs are under budget with savings in S&W and utilities. Capital costs were for power generators, water rights, and regional sewer costs.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016					2015	2014	2013	
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Broadband Fund									
Revenues									
Cable User Fees	\$ 358,228	\$ 361,331	\$ (3,103)	-0.86%	\$ 865,368	\$ 507,140	\$ 344,948	\$ 336,856	\$ 356,437
Internet User Fees	360,318	318,055	42,263	13.29%	776,597	416,279	322,269	289,630	248,967
Other Revenues	19,504	41,272	(21,768)	-52.74%	98,524	83,094	26,365	29,275	34,185
Phone Service Fees	15,430	14,605	825	5.65%	34,589	15,085	15,129	14,751	13,719
Total Revenues	753,480	735,263	18,217	2.48%	1,775,078	1,021,598	708,711	670,512	653,308
Operating Expenses									
Cable Direct Costs	301,861	287,017	14,844	5.17%	689,248	387,387	268,940	238,612	236,060
Phone Service Costs	9,050	12,658	(3,608)	-28.50%	29,700	20,650	11,424	8,290	8,584
Internet Direct Costs	98,500	95,000	3,500	3.68%	228,000	129,500	45,000	45,000	38,030
Cable Operations	211,952	219,930	(7,978)	-3.63%	579,317	367,365	199,793	215,693	219,419
Contingency	-	-	-	#DIV/0!	3,000	3,000	-	-	-
Total Operating Expenses	621,363	614,605	6,758	1.10%	1,529,265	907,902	525,157	507,595	502,093
Surplus / Deficit	132,117	120,658	11,459	9.50%	245,813		183,554	162,917	151,215
Capital									
Capital Outlay	48,649	50,000	(1,351)	-2.70%	60,000	11,351	117,872	-	84,483
Surplus / Deficit	83,468	70,658	12,810	18.13%	185,813		65,682	162,917	66,732
Other Sources and Uses									
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	-	-	-	#DIV/0!	-	-	(69,973)	(65,084)	(47,942)
Overhead Allocation Transfer	(52,998)	(52,998)	-	0.00%	(127,195)	(74,197)	(45,709)	(47,833)	(43,790)
Total Other Sources and Uses	(52,998)	(52,998)	-	0.00%	(127,195)	(74,197)	(115,682)	(112,917)	(91,732)
Surplus / Deficit	\$ 30,470	\$ 17,660	\$ 12,810	72.54%	\$ 58,618		\$ (50,000)	\$ 50,000	\$ (25,000)
Beginning (Available) Fund Balance	\$ 60,000	\$ 60,000	\$ -						
Ending (Available) Fund Balance	\$ 90,470	\$ 77,660	\$ 12,810						

Cable user revenues are under budget .86% but over prior year 3%. The prior year variance is mainly due to increased rates. Internet revenues are over budget 13.3%. Other revenues are under budget 53% due primarily to labor charges, equipment rental, leased access, parts, and connection fees. Direct costs for cable are over budget and prior year due to increasing and newly added programming costs. Internet costs are over budget and prior year due to operating costs of increased internet speed. Phone service revenues are over budget by 5.65%, while phone service expenses are under budget by 28.5%. A portion of this underage is caused by a one-time credit from our provider. Cable operating expenses are under budget with savings in property insurance, electricity, and R&M plant. Capital expense is for the software upgrade.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016				Annual Budget	Budget Balance	2015	2014	2013
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Telluride Conference Center Fund									
Revenues									
Beverage Revenues	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Catering Revenues	-	-	-	#DIV/0!	-	-	-	-	-
Facility Rental	-	-	-	#DIV/0!	-	-	-	-	-
Operating/Other Revenues	-	-	-	#DIV/0!	-	-	-	920	-
Total Revenues	-	-	-	#DIV/0!	-	-	-	920	-
Operating Expenses									
Wait Staff	-	-	-	#DIV/0!	-	-	-	-	-
Food Operations	-	-	-	#DIV/0!	-	-	-	-	-
Beverage Operations	-	-	-	#DIV/0!	-	-	-	-	-
General Operations	-	-	-	#DIV/0!	-	-	27	-	64
Administration	43,554	44,470	(916)	-2.06%	84,168	40,614	43,663	41,694	41,537
Marketing	50,000	50,000	-	0.00%	100,000	50,000	-	2,000	15,335
Contingency	-	-	-	#DIV/0!	-	-	-	-	-
Total Operating Expenses	93,554	94,470	(916)	-0.97%	184,168	90,614	43,689	43,694	56,936
Surplus / Deficit	(93,554)	(94,470)	916	-0.97%	(184,168)		(43,689)	(42,774)	(56,936)
Capital Outlay/ Major R&R	2,986	-	2,986	#DIV/0!	20,000	17,015	-	7,691	4,229
Surplus / Deficit	(96,540)	(94,470)	(2,069)	2.19%	(204,168)		(43,689)	(50,465)	(61,165)
Other Sources and Uses									
Damage Receipts	-	-	-	#DIV/0!	-	-	-	-	-
Insurance Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Sale of Assets	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From General Fund	96,540	94,470	2,069	2.19%	204,168	107,628	43,689	50,465	61,165
Overhead Allocation Transfer	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	96,540	94,470	2,069	74.00%	204,168	107,628	43,689	50,465	61,165
Surplus / Deficit	\$ -	\$ -	\$ -	#DIV/0!	\$ -		\$ -	\$ -	\$ -

Expenses to date are HOA dues and 1/2 of the contracted marketing expenses.

Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016

	2016				2015	2014	2013		
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)	Annual Budget	Budget Balance	Actual YTD	Actual YTD	Actual YTD
Affordable Housing Development Fund									
Revenues									
Contributions	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Proceeds	-	-	-	#DIV/0!	-	-	-	-	-
Rental Income	5,745	5,750	(5)	-0.09%	12,778	7,033	5,446	4,513	14,340
Sales Proceeds	-	-	-	#DIV/0!	-	-	-	-	12,952
Total Revenues	5,745	5,750	(5)	-0.09%	12,778	7,033	5,446	4,513	27,292
Operating Expenses									
Community Garden	-	-	-	#DIV/0!	3,500	3,500	2,337	-	2,019
Coyote Court	-	-	-	#DIV/0!	5,000	5,000	-	-	-
RHA Funding - Moved in 2014 from the GF	44,250	44,250	-	0.00%	88,500	44,250	41,069	34,640	-
Town Owned Properties	9,383	9,815	(432)	-4.40%	11,144	1,761	9,345	9,321	12,929
Density bank	8,856	8,856	-	0.00%	8,856	-	8,856	8,856	8,856
Total Operating Expenses	62,489	62,921	(432)	-0.69%	117,000	54,511	61,607	52,817	23,804
Surplus / Deficit	(56,744)	(57,171)	(427)	0.75%	(104,222)	(47,478)	(56,162)	(48,304)	3,488
Other Sources and Uses									
Transfer (To) From MAP	-	-	-	#DIV/0!	(60,000)	-	-	-	-
Transfer (To) From General Fund - Sales Tax	211,440	209,850	1,590	0.76%	423,000	211,560	210,149	169,368	162,650
Transfer (To) From Capital Projects Fund (1)	-	-	-	#DIV/0!	-	-	-	-	-
Transfer (To) From VCA (2)	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	211,440	209,850	1,590	0.76%	363,000	211,560	210,149	169,368	162,650
Surplus / Deficit	\$ 154,696	\$ 152,679	\$ (2,017)	-1.32%	\$ 258,778	\$ 164,082	\$ 153,988	\$ 121,064	\$ 166,138
Beginning Fund Equity Balance	\$ 798,397	\$ 798,397	\$ -						
Ending Equity Fund Balance	\$ 953,093	\$ 951,076	\$ 2,017						

Expenses consist of HOA dues on town owned property and the contribution to the Regional Housing Authority.

Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016

	2016						2015	2014	2013
	Actual YTD	Budget YTD	Budget Vary (\$)	Budget Var (%)	Annual Budget	Budget Balance	Actual	Actual	Actual
Village Court Apartments									
Operating Revenues									
Rental Income	\$ 948,965	\$ 927,477	\$ 21,488	2%	\$ 2,225,944	\$ 1,276,979	\$ 940,944	\$ 918,686	\$ 751,786
Other Operating Income	29,581	42,177	(12,596)	-30%	94,225	64,644	32,854	49,509	153,671
Less: Allowance for Bad Debt	(1,917)	(4,548)	2,631	-58%	(10,914)	(8,997)	(4,207)	(4,045)	(806)
Total Operating Revenue	976,629	965,106	11,523	1%	2,309,255	1,332,626	969,590	964,150	904,651
Operating Expenses									
Office Operations	69,587	80,327	10,739	13%	188,315	118,728	69,682	71,939	71,876
General and Administrative	87,393	91,196	3,803	4%	131,289	43,896	93,007	99,837	107,840
Utilities	165,156	168,683	3,527	2%	407,695	242,539	163,799	171,798	182,836
Repair and Maintenance	166,996	168,153	1,157	1%	390,412	223,416	149,405	143,349	136,403
Major Repairs and Replacement	92,435	86,489	(5,946)	-7%	164,316	71,881	52,332	117,892	21,975
Contingency	7,629	7,629	-	0%	12,929	5,300	-	-	-
Total Operating Expenses	589,196	602,477	13,281	2%	1,294,956	705,760	528,224	604,816	520,930
Surplus / (Deficit) After Operations	387,433	362,629	24,804	7%	1,014,299		441,367	359,334	383,721
Non-Operating (Income) / Expense									
Investment Earning	(24)	(625)	(601)	-96%	(1,500)	(1,476)	(30)	(109)	(231)
Debt Service, Interest	209,924	209,924	0	0%	419,848	209,924	214,730	109,987	112,089
Debt Service, Fees	-	-	-	#DIV/0!	-	-	2,750	3,650	3,250
Debt Service, Principal	-	-	-	#DIV/0!	367,621	367,621	-	220,511	10,013
Total Non-Operating (Income) / Expense	209,900	209,299	(601)	0%	785,969	576,069	217,450	334,039	125,121
Surplus / (Deficit) Before Capital	177,533	153,330	24,203	16%	228,330		223,916	25,295	258,600
Capital Spending	-	-	-	#DIV/0!	5,000	5,000	-	-	-
Surplus / (Deficit)	177,533	153,330	24,203	16%	223,330		223,916	25,295	258,600
Other Sources / (Uses)									
Transfer (To)/From General Fund	(45,256)	(45,256)	-	0%	(108,614)	(108,614)	(46,938)	(51,634)	(44,643)
Sale of Assets	-	-	-	0%	-	-	-	-	-
Grant Revenues	-	-	-	0%	-	-	-	-	-
Transfer From AHDF	-	-	-	0%	-	45,256	-	-	-
Total Other Sources / (Uses)	(45,256)	(45,256)	-	0%	(108,614)	45,256	(46,938)	(51,634)	(44,643)
Surplus / (Deficit)	132,278	108,075	24,203	22%	114,716		176,978	(26,339)	213,957
Beginning Working Capital	290,938	290,938	-	0%	-				
Ending Working Capital	\$ 423,216	\$ 399,013	\$ 24,203	6%	\$ 114,716				

Rent revenues are over budget and prior year, 2% and .85%. Other revenues are under budget 30% due mainly to lease break fees, laundry and cleaning charges revenues. Office operations are under budget 13%. This is due to salaries and wages and worker's compensation. General and administrative is under budget 4%, due mainly to property insurance savings. Utilities are within 2% of budget. Maintenance is under budget in workers comp and salaries and wages. MR&R is over budget in roof repairs and parking lot improvements. Expenses include parking lot improvements, roof repairs, carpet replacement, cabinet replacement, bobcat lease, appliances, deck, trash enclosure, and vinyl replacement.

**Town of Mountain Village Monthly Revenue and Expenditure Report
May 2016**

	2016				Annual Budget	Budget Balance	2015	2014	2013
	Actual YTD	Budget YTD	Budget Variance (\$)	Budget Variance (%)			Actual YTD	Actual YTD	Actual YTD
Debt Service Fund									
Revenues									
Abatements	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	46,488	48,526	(2,039)	-4.20%	207,940	161,453	48,138	49,713	51,713
Miscellaneous Revenue	-	-	-	#DIV/0!	-	-	-	-	-
Property Taxes	2,879,524	2,786,397	93,127	3.34%	3,481,449	601,925	2,890,697	2,992,764	2,737,300
Reserve/Capital/Liquidity Interest	467	261	206	78.87%	666	199	802	2,671	2,404
Specific Ownership Taxes	58,859	33,203	25,656	77.27%	82,264	23,405	60,211	57,562	47,874
Total Revenues	2,985,337	2,868,387	116,950	140.00%	3,772,319	786,982	2,999,847	3,102,709	2,839,290
Debt Service									
2001/2011 Bonds - Gondola - Paid by contributions from TMVOA and TSG									
2001/2011 Bond Issue - Interest	46,488	46,488	-	#DIV/0!	92,975	46,488	48,138	49,713	51,713
2001/2011 Bond Issue - Principal	-	-	-	#DIV/0!	115,000	115,000	-	-	-
2005 Bonds - Telluride Conference Center - (refunding portion of 1998)									
2005 Bond Issue - Interest	33,125	33,125	-	#DIV/0!	66,250	33,125	48,500	63,125	76,025
2005 Bond Issue - Principal	-	-	-	#DIV/0!	645,000	645,000	-	-	-
2006/2014 Bonds - Heritage Parking									
2014 Bond Issue - Interest	138,213	138,213	-	#DIV/0!	34,600	(103,613)	142,248	186,694	190,894
2014 Bond Issue - Principal	-	-	-	#DIV/0!	496,825	496,825	-	-	-
2007 Bonds - Water/Sewer (refunding 1997)									
2007 Bond Issue - Interest	87,413	87,413	-	#DIV/0!	174,825	87,413	122,400	150,431	173,494
2007 Bond Issue - Principal	-	-	-	#DIV/0!	1,625,000	1,625,000	-	-	-
2009 Bonds - Telluride Conference Center (refunding 1998 bonds)									
2009 Bond Issue - Interest	12,100	12,100	-	#DIV/0!	24,200	12,100	16,450	20,650	24,525
2009 Bond Issue - Principal	-	-	-	0.00%	295,000	295,000	-	-	-
Total Debt Service	317,338	317,338	-	0.00%	3,569,675	3,252,338	377,736	470,613	516,650
Surplus / (Deficit)	2,668,000	2,551,049	116,950	4.58%	202,644		2,622,111	2,632,097	2,322,640
Operating Expenses									
Administrative Fees	250	250	-	0.00%	17,000	16,750	900	-	-
County Treasurer Collection Fees	86,432	85,017	1,415	1.66%	102,355	15,923	86,740	83,774	82,344
Total Operating Expenses	86,682	85,267	1,415	1.66%	119,355	32,673	87,640	83,774	82,344
Surplus / (Deficit)	2,581,318	2,465,782	115,536	4.69%	83,289		2,534,471	2,548,323	2,240,296
Other Sources and Uses									
Transfer (To) From General Fund	(58,859)	(33,203)	(25,656)	77.27%	(82,264)	(23,405)	(60,211)	(57,562)	(47,874)
Transfer (To) From Other Funds	-	-	-	#DIV/0!	-	-	-	-	-
Bond Premiums	-	-	-	#DIV/0!	-	-	-	-	-
Proceeds From Bond Issuance	-	-	-	#DIV/0!	-	-	-	-	-
Total Other Sources and Uses	(58,859)	(33,203)	(25,656)	77.27%	(82,264)	(23,405)	(60,211)	(57,562)	(47,874)
Surplus / (Deficit)	\$ 2,522,459	\$ 2,432,579	\$ 89,880	3.69%	\$ 1,025		\$ 2,474,261	\$ 2,490,761	\$ 2,192,422
Beginning Fund Balance	\$ 743,941	\$ 743,941	\$ -						
Ending Fund Balance	\$ 3,266,400	\$ 3,176,520	\$ 89,880						

**TOWN OF MOUNTAIN VILLAGE
COLORADO**



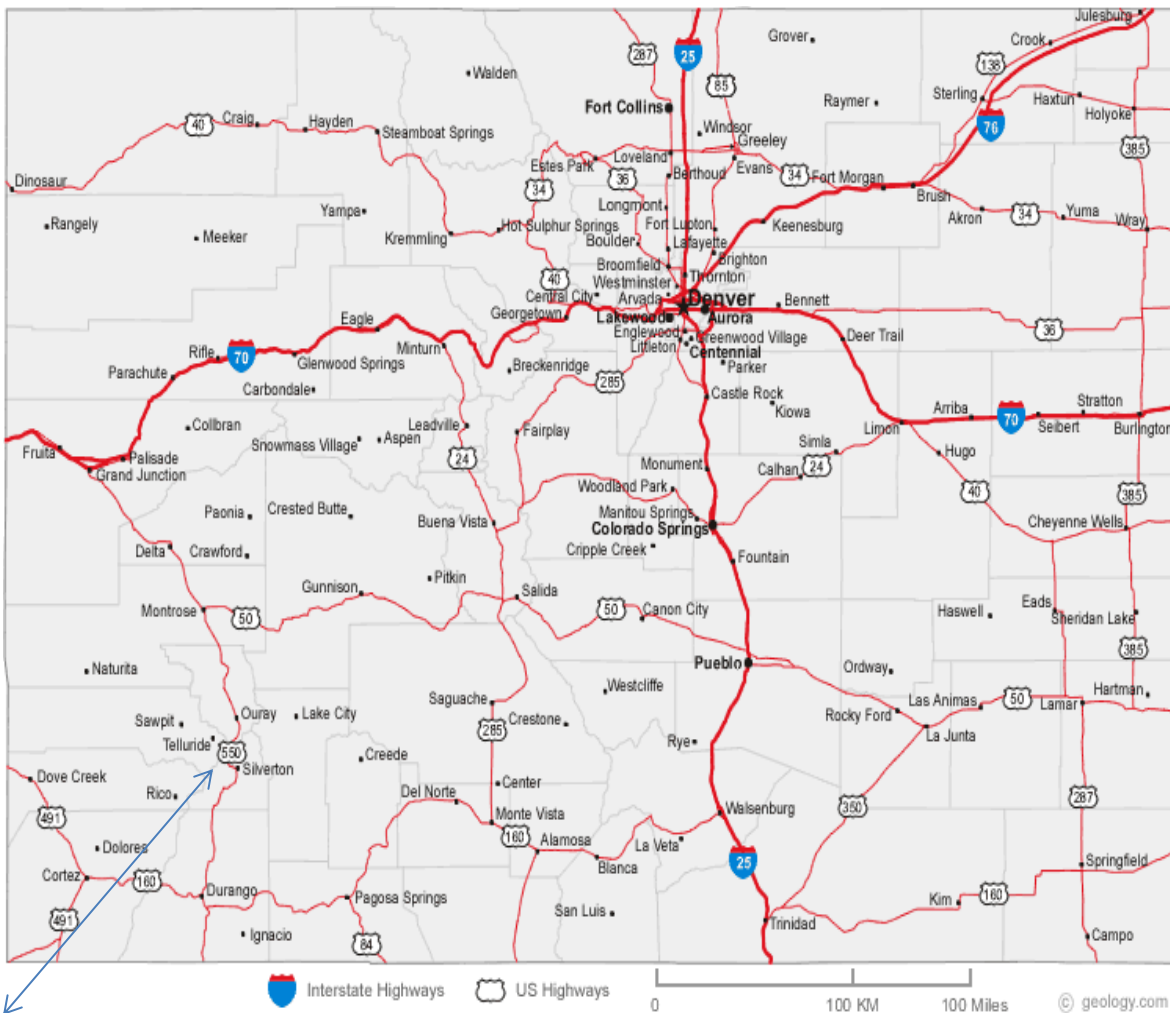
The Mountain Village summer “sunset” concert series, Firstgrass

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015

ABOUT MOUNTAIN VILLAGE

Situated in the heart of the breathtaking San Juan Mountains, Mountain Village was incorporated in 1995 as a home rule municipality. Its founders envisioned a European-style ski-in/ski-out, pedestrian-friendly destination resort that would complement the historic mining town of Telluride. A three-stage gondola transportation system connects the Town of Mountain Village with the Town of Telluride. Situated at 9,500 feet, Mountain Village is comparably a world apart from other resorts: it is innately spectacular, beautifully orchestrated and planned, and overflowing with style, charm and sophistication. For more information, please visit us on the Web at www.townofmountainvillage.com.



Mountain Village

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Mayor, Dan Jansen
Mayor Pro Tem, Martin McKinley
Council Members: Dan Caton, Bruce Macintire,
Laila Benitez, Michelle Sherry, Cath Jett
Town Manager, Kim Montgomery

Prepared by:
The Finance Department of the Town of Mountain Village
Kevin Swain, Treasurer and Finance Director
Kate Burns, Controller
Julie Vergari, Chief Accountant
Kathy Smith, Accounts Payable Technician
Susan Ray, Billing Service Specialist
Sheri Mahoney, Payroll Technician



June 22, 2016

To the Honorable Mayor, Members of the Governing Town Council and Citizens of the Town of Mountain Village:

The Comprehensive Annual Financial Report of the Town of Mountain Village (the "Town") for the year ended December 31, 2015, is hereby submitted as mandated by the Town's home rule charter and state statutes. The charter and statutes require that the Town of Mountain Village issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information as presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Governmental Structure, Local Economic Condition and Outlook

The Town, incorporated under a Home Rule Charter in 1995, is located in the San Juan Range of the Rocky Mountains, in southwest Colorado, in San Miguel County, and consists of approximately 2,100 acres of land. The Town is an upscale European styled resort-oriented community situated in the mountains above and adjacent to, the Town of Telluride and includes a large part of the Telluride Ski Area. The Town also has the power, by state statute, to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing town council.

The Town has operated under a council-mayor form of government since its inception. Policy-making and legislative authority are vested in the governing council; certain executive authority rests with the Mayor. The governing council ("Town Council" or the "Council") is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is selected from within the Town Council and his or her tenure in office is subject to termination at any time by the Town Council. The Mayor is responsible, among other things, for appointing the various officials of the Town and is empowered to carry out the policies and ordinances of the Town Council.

The Council is elected on a non-partisan basis. Council members are elected at large to four year staggered terms.

It was determined by the District and the Town that it was in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. The District stays in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds. The Town Council of the Town of Mountain Village, Colorado (the Town) is responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

The Town is a body corporate and politic with all of the powers of a public or quasi-municipal corporation and is a political subdivision of the State of Colorado. The Town was organized for the purpose of providing for its residents various governmental services including, but not limited to, general governmental services, (affordable housing, building code enforcement, planning, zoning and design review) and law enforcement. The Town is empowered to levy taxes subject to voter authorization and may issue bonds. The Town imposes certain fees and charges upon its residents and users for design review, plan review, inspection, planning and zoning. Mountain Village has a zoned "person equivalent density" of just over 8,000. Currently 30% of this density has been constructed. Approximately 65 person equivalent density is under construction or in the design review process. The estimated current permanent population is 1,395 people, and the 2015 assessed valuation of the Town is \$294,538,840.

The Town recently enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy entered into a global recession the pace of real estate development and property sales slowed dramatically and the result was a devalued property tax base. In recognition of these factors, the Town took budgetary measures for 2013 and 2014 that offset the decline in property tax in those years. Budget measures taken include a policy established for 2010 and 2011 whereby a set-aside of current property tax revenue was established as a backstop against falling revenue resulting from the reduced property tax base. The two year result ended up in additional reserves for the General Fund in the amount of \$450,828. Those reserves have been maintained and have been repurposed for utilization in 2015 and 2016 if the Town Council finds it prudent and necessary.

As the Town has been able to grow its cash reserves the investment accounts have been increased and reflect the growth of those unrestricted reserves. However continued low interest rates and the conservative investment policy of the town have served to restrain the income earned off investments of idle funds.

The continued strong financial condition of the Town is creating both opportunities and challenges for the organization and its constituents. Although the Town's finances have stabilized recently, the Town is faced with new challenges to meet increased demand for services, facilities and amenities triggered by the local growth. As the Village grows,

demand for more affordable housing and childcare services and facilities are of primary concern. It will require significant financial resources to address these deficiencies in the upcoming years.

Financial Information

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the organization are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Town maintains extensive budgetary controls. The objective of these controls is to ensure compliance with the legal provisions embodied in the annually appropriated budget approved by the Town Council. Financial activities of the Town's governmental funds are included in the annual appropriated budget. The point of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. In order to address long range financial planning issues, a long-range financial plan is maintained and revised periodically by the Town Council. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A") which can be found immediately following the independent auditor's report.

Long Term Financial Planning

As part of the Town's annual budget process, a five year financial plan for all funds and operations of the Town is updated and included as part of the budget adoption process. Revenue projections are updated and all Town department and fund budgets are forecast for the upcoming five years.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Chadwick, Steinkirchner, Davis, & Co. has been retained to audit the Town. The auditors used Generally Accepted Auditing Standards in conducting the engagement. The auditor's report in the general-purpose financial statements, and combining and individual fund statements and schedules, is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the year ended December 31, 2014. This was the sixteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to express my appreciation to all members of the Town's staff who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Kevin Swain
Town Finance Director

Town of Mountain Village Organizational Chart Voters/Electorate Town Council (Legislative) Mayor (Executive)		
<u>Town Offices</u> Town Manager Town Attorney Town Clerk Town Treasurer	<u>Departments</u> Planning & Development Services, Public Safety, Public Works, Transportation, Recreation, Plaza & Environmental Services, Marketing & Business Development, Human Relations	<u>(Judicial)</u> Municipal Court
	<u>Enterprise Operations</u> Broadband Services Water & Sanitary Sewer Conference Center Child Development Housing Authority Parking Services	

**List of Elected and Appointed Officials
December 31, 2015**

Elected Officials

Council Member-At large	Dan Jansen
Council Member-At large	Cath Jett
Council Member-At large	Dan Caton
Council Member-At large	Bruce Macintire
Council Member-At large	Martin McKinley
Council Member-At large	Michelle Sherry
Council Member-At large	Laila Benitez

Appointed Officials

Town Manager	Kim Montgomery
Town Attorney (Contracted)	J. David Reed esq.
Town Clerk	Jackie Kennefick
Town Treasurer	Kevin Swain
Director of Community Development	Glen Van Nimwegen
Police Chief	Chris Broady

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Mountain Village
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

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Independent Auditors Report

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INDEPENDENT AUDITOR’S REPORT

June 22, 2016

To the Town Council
Town of Mountain Village, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mountain Village, Colorado, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United State



Town of Mountain Village, Colorado

June 22, 2016

Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-15 and 67-69 and the pension schedules on pages 70-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mountain Village, Colorado's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual fund schedules, the Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual fund schedules and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Chadwick, Steinkirchner, Davis & Co., P.C.

Grand Junction, Colorado

Management's Discussion and Analysis

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TOWN OF MOUNTAIN VILLAGE, COLORADO

Management's Discussion and Analysis

For the Year Ended December 31, 2015

As management of the Town of Mountain Village (the Town), we offer readers of these financial statements this summary overview and analysis of the financial activities and position through and as of December 31, 2015. We encourage readers to consider the information presented in conjunction with the additional information furnished in our basic financial statements to more thoroughly understand the financial activities and position of the Town.

A. Financial Highlights

- Net Position (excess assets/deferred outflows over liabilities/deferred inflows) increased \$3.4 million from \$46.8 to \$50.2 million, after re-statement of the prior year Net Position due to a change in accounting principle for GASB pronouncements 67 & 68.
- Sales taxes collections continue to establish new record levels and exceeded \$3.8 million for the first time in Town history contributing to surpluses building the Town's General Fund reserves to almost \$9 million.

Transfer of assets and assumption of services of the Mountain Village Metropolitan District. The Mountain Village Metropolitan District (the District) was established on September 12, 1983 for the purpose of providing certain services including: domestic water, wastewater treatment, drainage, roads, television relay and translator facilities, public parks and recreation facilities, and transportation. It was determined by the District and the Town that it is in the best interests of the residents of the Town and the District that the District be dissolved and that the Town assume the governmental services and functions currently performed by the District. On December 13, 2006, the District Court, San Miguel County, Colorado approved the dissolution of the District effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding General Obligation Bonds.** The Town Council will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements. The Town assumed the assets and all other obligations of the District effective January 1, 2007.

B. Overview of Financial Statements

This discussion and analysis is intended to serve as the introduction to the Town's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements- The government-wide financial statements are designed to provide readers with a broad overview of the organization's finances in a similar manner to a private sector business.

The statement of net position presents information on all of the organization's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the organization's financial condition is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, economic development, debt service, capital projects, culture and recreation, and transportation. The business-type activities include affordable housing rental and development, cable television, water and sewer, conference center, child development, parking services, and regional communications.

Fund Financial Statements- A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The Town funds are separated into two classifications: governmental funds and enterprise (proprietary) funds.

Governmental Funds- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may more thoroughly understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds are separated into the following major funds: General Fund, Gondola Special Revenue Fund, and as a unit of The Town, Debt Service Fund. All non-major funds (Capital Projects Fund, Vehicle and Equipment Acquisition, Historical Museum and Tourism Funds) are combined as other governmental funds.

An annual appropriated budget is adopted for all governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budgets.

Enterprise Funds- Enterprise funds (proprietary) are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The enterprise funds are used to account for child development, regional communications and affordable housing programs. The Town's major enterprise funds are the Housing Authority Fund, Cable, Telluride Conference Center, and the Water and Sewer Fund. All non-major funds (Child Development, Parking Services, and Communication System Funds) are combined as other enterprise funds.

Notes to Financial Statements The notes provide additional information that are essential to full understanding of the data provided in the various financial reports.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board*.

Capital Assets- Beginning with the 2004 financial statements, the Town must comply with the capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB 34). One of the requirements is to report capital assets in the government-wide financial statements. The Town has complied with these requirements.

In addition, beginning with the 2007 financial statements, the Town must report on its capital assets. In anticipation of this requirement, the Town decided to report its capital assets beginning with the 2004 financial statements. Accordingly, the government-wide financial statements include information about capital assets and the related expenses.

Fund Balance- Effective with financial reporting periods beginning after June 15, 2010, Governmental Accounting Standards Board Statement 54 (GASB 54) requires the classification of fund balance in governmental funds. The objective is to enhance the usefulness of fund balance information. The Town has complied with GASB 54 requirements starting with its 2009 financial statements.

C. Government-wide Financial Analysis

At the close of 2015, the total Net Position was \$50.2 million, an increase of \$3.4 million from prior year which is primarily a result of record breaking sales tax collections, increased development related revenues, and controlled spending.

For a full summary of the Town's Net Position, please see page 21 of this report.

Statements of Net Position December 31, 2015 and 2014

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$21,521,692	\$19,188,431	\$ 5,444,833	\$ 5,985,199	\$ 26,966,524	\$ 25,173,630
Capital Assets	47,006,132	48,106,760	25,165,880	24,989,037	72,172,012	73,095,797
Total Assets	68,527,824	67,295,191	30,610,713	30,974,236	99,138,537	98,269,427
Deferred Outflow of Resources	1,639,767	1,287,407	240,083	196,622	1,879,850	1,484,029
Current Liabilities	14,981,779	4,588,102	2,514,198	821,187	17,495,978	5,409,289
Non - Current Liabilities						
Due Within One Year	3,066,696	44,373	367,621	-	3,434,317	44,373
Due In More Than One Year	13,399,196	25,809,531	12,632,600	14,944,702	26,031,796	40,754,234
Total Liabilities	31,447,672	30,442,006	15,514,419	15,765,889	46,962,091	46,207,896
Deferred Inflow of Resources	3,782,998	6,709,918	5,013	-	3,788,012	6,709,918
Net Position						
Net Investment in Capital Assets	30,763,276	29,055,499	12,230,261	11,694,046	42,993,537	40,749,545
Restricted for Debt Service	743,941	750,647	850,160	850,023	1,594,102	1,600,670
Restricted for Emergencies	551,223	536,090	-	-	551,223	536,090
Unrestricted	2,878,480	7,047,403	2,250,944	4,313,988	5,129,424	11,361,392
Prior Period Adjustment -						
Change in Accounting Principle	-	(5,958,966)	-	(1,453,089)	-	(7,412,055)
Total Net Position	\$34,936,921	\$31,430,673	\$ 15,331,365	\$ 15,404,968	\$ 50,268,286	\$ 46,835,641

For a full summary of the Town's changes in Net Position, see page 22 of this report.

Statements of Changes in Net Position
For the Years Ended December 31, 2015 and 2014

	Governmental Activities		Business - Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,314,128	\$ 1,130,999	\$ 7,370,045	\$ 6,736,798	\$ 8,684,174	\$ 7,867,797
Operating Grants and Contributions	3,677,500	3,883,361	46,231	46,846	3,723,731	3,930,207
Capital Grants and Contributions	964,267	482,543	173,002	47,001	1,137,270	529,544
Total Program Revenues	5,955,896	5,496,903	7,589,279	6,830,646	13,545,174	12,327,549
General Revenues						
Property and Specific Ownership Taxes	7,373,696	7,415,950	-	-	7,373,696	7,415,950
Sales and Use Taxes	4,394,807	3,502,280	-	-	4,394,807	3,502,280
Lodging and Restaurant Taxes	1,869,271	1,517,993	-	-	1,869,271	1,517,993
Miscellaneous	114,614	144,401	72,856	389,133	187,470	533,534
Investment Earnings	62,211	94,542	72	179	62,283	94,722
Gain on Sale of Assets	40,534	43,990	-	-	40,534	43,990
Total General Revenues	13,855,132	12,719,157	72,929	389,313	13,928,061	13,108,470
Total Revenues	19,811,028	18,216,061	7,662,207	7,219,959	27,473,235	25,436,019
Expenses						
General Government	3,812,618	3,522,156	-	-	3,812,618	3,522,156
Gondola Operations and Capital Expenditures	4,155,706	3,922,108	-	-	4,155,706	3,922,108
Public Safety	899,441	926,589	-	-	899,441	926,589
Roads and Bridges	1,561,233	1,635,861	-	-	1,561,233	1,635,861
Culture and Recreation	485,452	487,552	-	-	485,452	487,552
Equipment & Property Maintenance	2,093,442	1,939,836	-	-	2,093,442	1,939,836
Transportation	1,110,573	1,094,386	-	-	1,110,573	1,094,386
Water & Sewer	-	-	2,041,858	2,059,875	2,041,858	2,059,875
Broadband	-	-	1,541,273	1,393,850	1,541,273	1,393,850
Telluride Conference Center	-	-	495,140	416,111	495,140	416,111
Economic Development	2,681,472	2,348,837	-	-	2,681,472	2,348,837
Housing Authority	-	-	2,309,596	2,536,978	2,309,596	2,536,978
Parking Services	-	-	280,298	328,928	280,298	328,928
Daycare Program	-	-	572,489	567,180	572,489	567,180
Regional Communications System	-	-	-	-	-	-
Total Expenses	16,799,937	15,877,325	7,240,654	7,302,922	24,040,591	23,180,248
Change in Net Position before Transfers	3,011,091	2,338,735	421,553	(82,964)	3,432,644	2,255,772
Transfers	495,157	204,820	(495,157)	(204,820)	-	-
Change in Net Position	3,506,247	2,543,556	(73,604)	(287,784)	3,432,644	2,255,772
Beginning Net Position	31,430,674	34,846,084	15,404,969	17,145,842	46,835,643	51,991,926
Prior Period Adjustment - Change in Accounting Principle	-	(5,958,966)	-	(1,453,089)	-	(7,412,055)
Beginning Net Position - As Re-stated	31,430,674	28,887,118	15,404,969	15,692,753	46,835,643	44,579,871
Ending Net Position	\$ 34,936,921	\$31,430,674	\$ 15,331,365	\$15,404,969	\$ 50,268,286	\$46,835,643

D. Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Town's Governmental Funds are comprised of the following:

- General Fund
- Gondola Fund (special revenue)
- Tourism Fund (special revenue)
- Historical Museum Fund (special revenue)
- Debt Service Fund (acting for the Mountain Village Metropolitan District)
- Vehicle and Equipment Acquisition Fund
- Capital Projects Fund

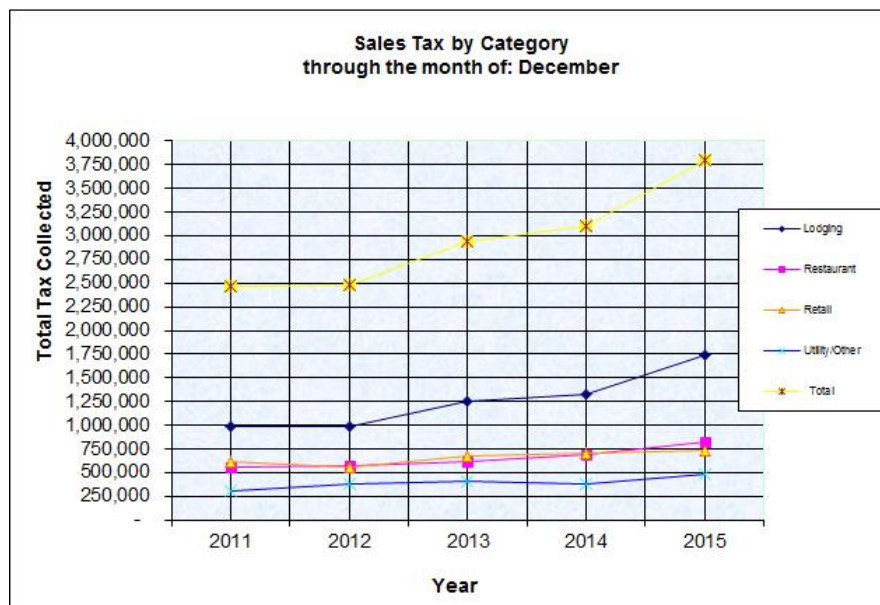
General Fund

Revenues of \$9.3 million were over budgeted expectations by \$25,000. Expenditures came in below budget by \$900,000 leaving the general fund a surplus of \$1.9 million after inter-fund transfers. Budget savings were due to the continued conscientiousness of staff in controlling expenditures, savings in utilities because of ongoing energy efficiencies, and capital expenditures. Total fund balance remains sufficient at \$9 million.

Sales Tax

Sales tax revenues of \$3.8 million increased from prior year by \$607,000 or 22.5% with record breaking tax collections including the highest collection month on record, March 2015. Sales tax increases were noticed most heavily in the lodging and "other" categories. Please see detailed analysis that follows.

Category	Actual 2011	Actual 2012	PY % Increase	Actual 2013	PY % Increase	Actual 2014	PY % Increase	Actual 2015	PY \$ Variance	PY % Increase
	4.5%	4.5%	2011 to 2012	4.5%	2012 to 2013	4.5%	2013 to 2014	4.5%	2014 to 2015	2014 to 2015
Lodging	21,860,293	21,813,629	0%	27,745,883	27%	29,433,592	6%	38,550,178	9,116,586	30.97%
Restaurant	12,411,676	12,717,690	2%	13,631,180	7%	15,497,118	14%	18,425,565	2,928,446	18.90%
Retail	13,711,348	12,293,787	-10%	14,864,000	21%	15,593,895	5%	16,505,541	911,646	5.85%
Utility/Other	6,776,839	8,323,303	23%	9,049,664	9%	8,349,222	-8%	10,875,210	2,525,987	30.25%
Total	54,760,157	55,148,409	1%	65,290,728	18%	68,873,827	5%	84,356,493	15,482,666	22.48%



Tourism Fund

Lodging taxes, restaurant taxes and business license fees flow through this fund to fund various Mountain Village marketing, promotion and economic development programs. Those programs include general regional marketing, promotion and group sales activity through Marketing Telluride Inc. (MTI) and various airline guaranty programs through the Telluride and Montrose Regional Air Organization (TMRAO).

Lodging tax receipts of \$1.5 million were up 24% from prior year, and restaurant tax receipts of \$367,000 show an increase of 16% from prior year. 2015 receipts include prior year taxes which are shown in the proper periods in the tables below. Business license fees of \$282,000 increased over prior year activity by 4%. Tourism activity generated approximately \$1.1 million for the airline guaranty program and \$1 million for regional marketing programs and group sales efforts. Overall, the town’s tourism fund reinvested over \$2.1 million back into the region to support the various businesses operating in the community which includes additional funding of \$8,100 to MTI for a guest services agent. Please see the lodging and restaurant tax revenue summary below for further information.

Town of Mountain Village Colorado Lodging Tax Summary								
	2011	2012	2013	2014	2015	2014	2015	Budget
	Activity	Activity	Activity	Activity	Activity	Var %	Budget	Var %
	(4%)	(4%)	(4%)	(4%)	(4%)			
Total	870,717	865,780	1,081,555	1,207,229	1,497,425	24.04%	1,066,088	28.81%
Tax Base	21,767,932	21,644,491	27,038,867	30,180,718	37,435,624		26,652,197	

Town of Mountain Village Colorado Restaurant Tax Summary								
	2011	2012	2013	2014	2015	2014	2015	Budget
	Activity	Activity	Activity (2%)	Activity (2%)	Activity (2%)	Var %	Budget	Var %
	(2%)	(2%)						
Total	244,750	245,593	274,828	315,303	366,759	16.32%	273,200	25.51%
Tax Base	12,237,496	12,279,634	13,741,420	15,765,152	18,337,941		13,659,997	

Vehicle and Equipment Acquisition Fund

A snow blower attachment and a sweeper broom were purchased for public works. A police vehicle, two buses, a dump truck, a building department vehicle, and a parks and recreation vehicle were acquired to replace older vehicles. Bobcat leases were paid. Grant monies were received totaling \$221,800 and \$283,300 was transferred from the General Fund which is the deficit plus 30% for reserves.

Capital Projects Fund

Activity in the Capital Projects Fund was for ongoing planning funds for the project known as the Meadows Improvement Plan.

Historical Museum Fund

The Town instituted a voter approved mill levy January 1, 2005 for the purpose of providing funding to the Telluride Historical Museum for operating costs. The property taxes generated for this purpose in 2015 were approximately \$88,618.

Gondola Fund

The Gondola Fund is used to account for the activity of financing, improving and operating the Gondola and Chondola transit system. The costs for this program are funded through contributions from TMVOA, Telluride Ski and Golf Company (Telski), as well as contributions and charges for extended operating hours. Current year funding of \$4.1 million was mainly comprised of contributions from TMVOA (\$3.6 million or 86%), Telski (\$181,200 or 4%), charges for extended operating hours and miscellaneous revenues (\$28,762 or less than 1%), grant funding of \$321,943 or 7% and other regional government contributions (\$36,000 or less than 1%). Fund expenditures of \$4.1 million increased over prior year by \$325,800. Increases from prior year are primarily the result of capital expenses, some of which were partially grant funded.

Debt Service Fund

Current year debt service activity reflected \$2,815,000 in debt reduction (or 15%) from the prior year's outstanding bond level. The total general obligation bond debt outstanding at 12/31/2015 was \$15,375,000.

	2012	2013	2014	2015
Assessed Valuation	373,861,120	265,515,290	266,407,970	294,538,840
Tax Supported Bonds Outstanding	20,765,000	18,370,000	15,595,000	12,890,000
% of Tax Supported Bonds Outstanding vs. AV	7%	7%	7%	4%
Mill Levy	10.75	10.823	13.325	11.82
Self Supported Bonds Outstanding	2,800,000	2,700,000	2,595,000	2,485,000

The Town's enterprise funds are comprised of the following:

- Housing Authority
 - Village Court Apartments (Affordable Housing)
 - Affordable Housing Development Fund
 - Mortgage Assistance Pool Fund
- Child Development Fund
- Communications System Fund (Last year, 2014)
- Broadband Fund
- Water and Sewer Fund
- Telluride Conference Center Fund
- Parking Services Fund

Village Court Apartments

VCA net operating income of \$1.32 million (before capital and debt service obligations) increased over prior year by \$1,746. Operating revenues of \$2.3 million increased over prior year primarily as a result of increased rents. Operating costs of \$1 million increased from prior year by less than 1%. Long term bonds and other debt were refinanced in 2014 to take advantage of continued low interest rates and longer term financing availability. That debt was reduced by \$357,000 in 2015.

Affordable Housing Development Fund

Since 2007, The Town pledged 11.11% of sales taxes to the affordable housing development fund, 2015 contributions were \$423,604. Expenses of \$103,409 were for HOA dues and other small repair items for Town owned units as well as support to the Regional Housing Authority. Transfers to the Capital Projects Fund of \$453,202 for the Meadows Improvement Plan and to the mortgage assistance program fund to keep the fund balanced were made.

Mortgage Assistance Pool Fund

\$30,000 in mortgage assistance was provided in 2015. There was no other activity in this fund for the year.

Child Development Fund

The Town has operated daycare services since 2004. In September of 2009, the director launched a preschool, in addition to the daycare and the fund is now called the Child Development Fund with daycare and preschool activities as individual departments. The daycare program provides services for approximately 21 children (6 infants and 15 toddlers) and the preschool accommodates up to 15 children. The preschool showed a surplus of \$43,956 which offset the 2015 General Fund subsidy requirement of \$59,902 for daycare operations, which were up \$26,900 from 2014.

Parking Services Fund

Operating costs in 2015 of approximately \$280,298 include personnel, utilities, and maintenance was offset by parking fees of \$441,590, receipts from other entities for shared expenses of \$7,732 and fines of \$52,769. Any deficit is funded by transfer from the general fund. In 2015, mainly the result of increased revenues and controlled spending, the parking fund transferred \$221,793, which includes the overhead allocation, to the General Fund. The gondola intercept parking bonds are not accounted for in this fund; rather it is in the Debt Service Fund.

Water and Sewer Fund

Due to major capital expenses, the fund drew down reserves of \$686,000. Expenditures of \$3.2 million were \$1.6 million more than prior year due mainly to capital expenditures. Capital investment of \$1.76 million was for regional sewer system improvements, repair and replacement the “wapiti” water line, water rights, and a new vehicle. Remaining available reserves remain adequate.

Broadband Fund

Revenues of \$1.7 million surpassed prior year performance by \$92,100 due mainly to growth in internet subscribers. Expenses totaling \$1.38 million were \$140,200 more than prior year due to an upgrade of internet bandwidth and operating costs associated because of the increase in 2015. The cable fund was able to return to the General Fund a transfer of \$264,162 which includes an overhead administrative allocation of \$117,017.

Telluride Conference Center

In October 2009, the conference center operations were turned over to an outside local contractor. The required transfer from the general fund of \$193,103 was for HOA dues, marketing, and some equipment. Under the agreement, the town continues to fund these costs, and upon certain thresholds, will share in a portion of the revenues earned.

E. General Fund Budgetary Results

The General Fund finished the fiscal year with a surplus of \$1.87 million. The budgeted surplus was \$557,748. The budgetary variance was the result of total expenditures coming in under budget by \$892,200 and revenues over budget by \$24,495 and other sources and uses over budget by \$398,971.

F. Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental activities decreased by \$1,100,628, from \$48,106,760 to \$47,006,132, due mainly to depreciation expense and deletions. The Town's investment in capital assets for its business-type activities, which include Village Court Apartments, other affordable housing endeavors, the water and sewer system, and the regional communication system increased \$176,844 from \$24,989,037 to \$25,165,881 primarily as a result of the water line project.

Additional information on the Town's capital assets can be found in Note 9.

Long-Term Debt

Total outstanding debt at the beginning of the fiscal year amounted to \$18,190,000. Throughout the year, \$2,815,000 was retired bringing the outstanding bond debt down to \$15,375,000 at year end.

On June 2, 2005, the Town entered into an interest rate swap agreement, effective January 2, 2007, which fixed the interest rate at 3.485%. That agreement terminated on September 1, 2010. A new agreement was entered into beginning on December 31, 2010. That agreement was terminated on September 30, 2014 as part of the refinancing of the Series 2000 Housing Facility Revenue Bonds.

Additional information on the Town's long-term debt can be found in Note 10.

Economic

Prior to 2008 the Town enjoyed several years of favorable economic conditions which resulted in operating surpluses allowing investments in affordable housing and the growth of fund reserves. While the Town has grown and begun to mature as a stable resort destination, it is still very much reliant on real estate development. As the national economy exited from a global recession in 2011 the pace of real estate development and property sales accelerated and the result has been a bottoming and now a property tax base beginning to recover its value lost during the recession. In recognition of these factors, the Town has taken budgetary measures for 2016 that will provide for compensation increases for employees and modest but necessary capital outlays and improvements.

Request for Information

This financial report is designed to provide a general overview of the Town of Mountain Village's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional information should be addressed to:

Finance Director
Town of Mountain Village
455 Mountain Village Blvd-Suite A
Mountain Village, CO 81435
970.728.8000 kswain@mtnvillage.org

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Basic Financial Statements

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Government-Wide Financial Statements

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Town of Mountain Village
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash (See Note 5)	\$ 2,591,321	\$ 3,581,121	\$ 6,172,442
Investments (See Note 5)	7,017,544	201,653	7,219,197
Receivables			
Taxes	8,085,152	-	8,085,152
Accounts	1,263,950	355,328	1,619,277
Interest	7,138	-	7,138
Notes (See Note 6)	753,636	164,000	917,636
Internal Balances	(6,467)	6,467	-
Accrued Revenues	-	1,845	1,845
Prepaid Items	287,930	4,719	292,649
Deposits (See Note 5)	693,747	1,272	695,019
Restricted Investments (See Note 5)			
Housing Authority	-	850,160	850,160
Bond Reserve Fund	827,742	-	827,742
Development Property Held for Sale (See Note 8)	-	278,268	278,268
Capital Assets			
Non-depreciable Capital Assets (See Note 9)	2,742,097	1,830,185	4,572,282
Depreciable Capital Assets (See Note 9)	44,264,035	23,335,695	67,599,730
Total assets	<u>68,527,824</u>	<u>30,610,713</u>	<u>99,138,537</u>
Deferred Outflow of Resources Related to Pensions (See Note 14)	956,048	227,671	1,183,718
Deferred Outflow of Resources Deferred Loss on Refunding	683,719	12,413	696,132
Deferred Outflow of Resources	<u>1,639,767</u>	<u>240,083</u>	<u>1,879,850</u>
Liabilities			
Accounts Payable	1,570,215	438,939	2,009,153
Accrued Expenses	71,290	20,352	91,641
Deposits	157,229	271,630	428,858
Due to Pooled Cash (See Note 5)	1,862,442	35,228	1,897,670
Accrued Interest Payable	63,016	-	63,016
Unearned Revenue	4,211,236	26,672	4,237,908
Noncurrent Liabilities (See Note 10)			
Net Pension Liability	7,046,353	1,721,378	8,767,731
Due within one year	3,066,696	367,621	3,434,317
Due in more than one year	13,399,196	12,632,600	26,031,796
Total liabilities	<u>31,447,672</u>	<u>15,514,419</u>	<u>46,962,091</u>
Deferred Inflow of Resources Related to Pensions (See Note 14)	20,322	5,013	25,335
Deferred Inflow of Resources Property Tax	3,762,676	-	3,762,676
Deferred Inflow of Resources	<u>3,782,998</u>	<u>5,013</u>	<u>3,788,012</u>
Net Position			
Net Investment in Capital Assets	30,763,276	12,230,261	42,993,537
Restricted For			
Debt Service	743,941	850,160	1,594,102
Emergencies	551,223	-	551,223
Unrestricted	2,878,480	2,250,944	5,129,424
Total Net Position	<u>\$34,936,921</u>	<u>\$15,331,365</u>	<u>\$50,268,286</u>

Town of Mountain Village
Statement of Activities
For the Fiscal Year Ended December 31, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 2,728,716	\$ 38,405	\$ 251,510	\$ -	\$ (2,438,801)	\$ -	\$ (2,438,801)
Administration	356,127	-	-	-	(356,127)	-	(356,127)
Public Safety	899,441	7,146	-	-	(892,295)	-	(892,295)
Roads & Bridges	1,561,233	383,479	9,107	165,784	(1,002,864)	-	(1,002,864)
Equipment & Property Maintenance	2,093,442	41,554	46,642	-	(2,005,246)	-	(2,005,246)
Culture & Recreation	485,452	-	13,018	-	(472,433)	-	(472,433)
Parking & Transportation	5,266,280	16,663	3,357,223	798,484	(1,093,910)	-	(1,093,910)
Economic Development	2,681,472	826,881	-	-	(1,854,590)	-	(1,854,590)
Interest on Long Term Debt	727,775	-	-	-	(727,775)	-	(727,775)
Total Governmental Activities	<u>16,799,937</u>	<u>1,314,128</u>	<u>3,677,500</u>	<u>964,267</u>	<u>(10,844,042)</u>	<u>-</u>	<u>(10,844,042)</u>
Business-type Activities:							
Housing Authority	2,309,596	2,277,184	-	-	-	(32,413)	(32,413)
Broadband	1,541,273	1,717,541	-	-	-	176,268	176,268
Child Development	572,489	441,422	38,499	-	-	(92,568)	(92,568)
Parking Services	280,298	494,359	7,732	-	-	221,793	221,793
Telluride Conference Center	495,140	-	-	-	-	(495,140)	(495,140)
Water and Sewer	2,041,858	2,439,540	-	173,002	-	570,684	570,684
Total Business-type Activities	<u>7,240,654</u>	<u>7,370,045</u>	<u>46,231</u>	<u>173,002</u>	<u>-</u>	<u>348,624</u>	<u>348,624</u>
Total	<u>\$ 24,040,591</u>	<u>\$ 8,684,174</u>	<u>\$ 3,723,731</u>	<u>\$ 1,137,270</u>			
General Revenues:							
Taxes:							
Property					7,070,688	-	7,070,688
Specific Ownership					303,008	-	303,008
Sales & Use					4,394,807	-	4,394,807
Lodging					1,502,265	-	1,502,265
Restaurant					367,006	-	367,006
Miscellaneous					114,614	72,856	187,470
Investment Earnings					62,211	72	62,283
Gain or (loss) on Sale of Assets					40,534	-	40,534
Transfers					495,157	(495,157)	-
Total General Revenues and Transfers					<u>14,350,289</u>	<u>(422,228)</u>	<u>13,928,061</u>
Change in Net Position					3,506,247	(73,604)	3,432,644
Net Position - Beginning					37,389,639	16,858,058	54,247,697
Prior Period Adjustment - Change in Accounting Principle					(5,958,966)	(1,453,089)	(7,412,055)
Net Position - Beginning as Re-stated					<u>31,430,673</u>	<u>15,404,969</u>	<u>46,835,642</u>
Net Position - Ending					<u>\$ 34,936,920</u>	<u>\$ 15,331,365</u>	<u>\$ 50,268,285</u>

Fund Financial Statements

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Town of Mountain Village
Balance Sheet - Governmental Funds
December 31, 2015

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Assets						
Cash	\$ 1,928,893	\$ 101,992	\$ -	\$ 357,247	\$ 203,190	\$ 2,591,321
Investments	6,269,383	-	748,161	-	-	7,017,544
Receivables						
Taxes	4,349,558	-	3,320,358	321,353	93,883	8,085,152
Accounts	981,747	161,680	-	-	120,522	1,263,950
Notes	-	-	-	-	753,636	753,636
Interest	-	-	7,138	-	-	7,138
Due from Other Funds	1,009,277	-	-	-	-	1,009,277
Prepaid Items	287,930	-	-	-	-	287,930
Deposits	693,747	-	-	-	-	693,747
Restricted Bond Reserve	-	-	827,742	-	-	827,742
Total Assets	<u>\$ 15,520,535</u>	<u>\$ 263,672</u>	<u>\$ 4,903,399</u>	<u>\$ 678,600</u>	<u>\$ 1,171,231</u>	<u>\$ 22,537,436</u>
Liabilities:						
Accounts Payable	\$ 642,035	\$ 233,424	\$ -	\$ 528,376	\$ 166,380	\$ 1,570,215
Accrued Payables	41,042	30,248	-	-	-	71,290
Due to Other Funds	163,663	-	852,081	-	-	1,015,744
Deposits	157,229	-	-	-	-	157,229
Due to Pooled Cash	1,861,720	-	-	-	722	1,862,442
Unearned Revenue	-	-	3,307,377	150,224	753,636	4,211,236
Total Liabilities	<u>2,865,688</u>	<u>263,672</u>	<u>4,159,457</u>	<u>678,600</u>	<u>920,738</u>	<u>8,888,155</u>
Deferred Inflows, Property Tax	<u>3,669,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,177</u>	<u>3,762,676</u>
Fund Balances:						
Nonspendable	287,930	-	-	-	-	287,930
Restricted for:						
Debt Service	-	-	743,941	-	-	743,941
Emergencies	551,223	-	-	-	-	551,223
Assigned	-	-	-	-	157,316	157,316
Unassigned	8,146,194	-	-	-	-	8,146,194
Total Fund Balances	<u>8,985,348</u>	<u>-</u>	<u>743,941</u>	<u>-</u>	<u>157,316</u>	<u>9,886,605</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 15,520,535</u>	<u>\$ 263,672</u>	<u>\$ 4,903,399</u>	<u>\$ 678,600</u>	<u>\$ 1,171,231</u>	<u>\$ 22,537,436</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
December 31, 2015

Total Fund Balance - Governmental Funds		\$ 9,886,605
Amounts reported for governmental activities in the statement of Net Position are difference because:		
Capital assets used in governmental activities are not financial resources and; therefore, are not reported as assets in the governmental funds:		
Cost of Capital Assets	\$ 66,580,879	
Less Accumulated Depreciation	<u>(19,574,748)</u>	47,006,131
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
General Obligation Bonds	(15,375,000)	
Compensated Absences	<u>(460,683)</u>	(15,835,683)
Items related to pensions are considered to be long term items and are therefore not reported in the governmental funds.		
Net Pension liability	(7,046,353)	
Deferred Pension Outflows	956,048	
Deferred Pension Inflows	<u>(20,322)</u>	(6,110,627)
Long-term debt premiums and discounts are reported in the governmental funds when first incurred, but deferred and amortized in the statement of Net Position.		
		(630,209)
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		
		(63,016)
The difference between the net proceeds from the issuance of the refunding bonds and the carrying amount of refunded bonds is not reported in the governmental funds, but is deferred and amortized in the statement of Net Position.		
		<u>683,719</u>
Total Net Position - Governmental Activities		<u><u>\$ 34,936,920</u></u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2015

	<u>General</u>	<u>Gondola</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Non-Major Governmental</u>	<u>Total</u>
Revenues						
Taxes	\$ 8,057,308	\$ -	\$ 3,622,577	\$ 1,869,271	\$ 88,618	\$ 13,637,774
Licenses & Permits	349,783	-	-	281,898	-	631,681
Intergovernmental	375,754	-	-	-	-	375,754
Contributions from Other Entities	39,762	3,774,645	206,275	-	-	4,020,681
Charges for Services	341,139	16,663	-	-	-	357,801
Fines & Forfeitures	7,146	-	-	-	-	7,146
Miscellaneous	76,066	12,100	-	26,448	-	114,614
Interest Income	60,650	-	1,561	-	-	62,211
Grants & Contributions	19,107	321,943	-	-	221,784	562,834
Total Revenues	<u>9,326,713</u>	<u>4,125,350</u>	<u>3,830,413</u>	<u>2,177,617</u>	<u>310,402</u>	<u>19,770,495</u>
Expenditures						
Current:						
General Government	2,686,351	-	-	-	1,776	2,688,128
Public Safety	811,016	-	-	-	-	811,016
Roads & Bridges	843,589	-	-	-	-	843,589
Equipment & Property Maintenance	1,856,376	-	-	-	-	1,856,376
Culture & Recreation	398,610	-	-	-	86,842	485,452
Parking & Transportation	207,720	3,735,912	-	-	-	3,943,632
Economic Development	568,999	-	-	2,112,472	-	2,681,472
Debt Service:						
Administrative Charges	-	-	116,754	2,500	-	119,254
Principal	-	-	2,815,000	-	-	2,815,000
Interest	-	-	756,186	-	-	756,186
Capital Outlay:						
General Government	75,042	-	-	-	892,913	967,955
Culture & Recreation	17,722	-	-	-	-	17,722
Equipment & Property Maintenance	32,122	-	-	-	-	32,122
Parking & Transportation	-	356,203	-	-	-	356,203
Total Expenditures	<u>7,497,548</u>	<u>4,092,115</u>	<u>3,687,940</u>	<u>2,114,972</u>	<u>981,531</u>	<u>18,374,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,829,165</u>	<u>33,235</u>	<u>142,473</u>	<u>62,645</u>	<u>(671,129)</u>	<u>1,396,389</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Assets	30,034	10,500	-	-	-	40,534
Issuance of Refunding Bonds	-	-	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-	-	-
Transfers In	974,120	-	-	-	736,507	1,710,628
Transfers Out	(959,913)	(43,735)	(149,178)	(62,645)	-	(1,215,471)
Total Other Financing Sources (Uses)	<u>44,241</u>	<u>(33,235)</u>	<u>(149,178)</u>	<u>(62,645)</u>	<u>736,507</u>	<u>535,690</u>
Net Change in Fund Balances	1,873,406	-	(6,705)	-	65,378	1,932,079
Fund balance - Beginning of Year	<u>7,111,942</u>	<u>-</u>	<u>750,646</u>	<u>-</u>	<u>91,937</u>	<u>7,954,525</u>
Fund balance - End of Year	<u>\$ 8,985,348</u>	<u>\$ -</u>	<u>\$ 743,941</u>	<u>\$ -</u>	<u>\$ 157,315</u>	<u>\$ 9,886,604</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended December 31, 2015**

Net Change in Fund Balance - Governmental Funds \$ 1,932,079

Amounts reported for governmental activities in the statement
of activities are different because:

Capital outlays are reported as expenditures in the governmental funds; however, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 1,343,475	
Capital Assets Deletions, Net	(233,138)	
Depreciation	<u>(2,210,965)</u>	(1,100,628)

Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not as expenditures in the governmental funds:

Pension Expense	(151,661)	
Compensated Absences	(16,953)	
Accrued Interest Payable	<u>1,100</u>	(167,514)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction has any effect on Net Position in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment	2,815,000	
Amortization of Deferred Loss on Refunding	(58,317)	
Premium on Bonds Payable	<u>85,628</u>	2,842,311

Change in Net Position of Governmental Funds \$ 3,506,248

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Net Position - Enterprise Funds
December 31, 2015

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Assets						
Current Assets:						
Cash and Cash Equivalents	\$ 1,425,463	\$ 1,935,250	\$ 16,119	\$ 204,088	\$ 200	\$ 3,581,121
Investments	201,653	-	-	-	-	201,653
Accounts Receivable	(24,434)	320,424	-	(2,489)	61,827	355,328
Prepaid Expenses	-	-	-	4,719	-	4,719
Accrued Revenues	-	-	-	-	1,845	1,845
Deposits	-	636	-	636	-	1,272
Due From Other Funds	163,663	-	-	-	-	163,663
Total Current Assets	1,766,345	2,256,310	16,119	206,954	63,872	4,309,601
Noncurrent Assets:						
Restricted Investments	850,160	-	-	-	-	850,160
Notes Receivable	164,000	-	-	-	-	164,000
Development Property Held for Sale:						
Buildings	278,268	-	-	-	-	278,268
Capital Assets:						
Land	366,782	-	-	-	-	366,782
Buildings and Improvements	17,538,393	14,136,393	6,211,007	-	199,368	38,085,161
Construction in Progress	-	1,551,881	31,212	39,383	-	1,622,475
Furniture and Fixtures	-	-	231,399	-	-	231,399
Communications System	-	-	-	2,099,866	-	2,099,866
Vehicles & Equipment	199,475	145,921	186,293	209,330	27,650	768,669
Less: Accumulated Depreciation	(7,873,224)	(5,474,502)	(2,806,437)	(1,712,817)	(141,490)	(18,008,471)
Total Noncurrent Assets	11,523,853	10,359,692	3,853,474	635,762	85,528	26,458,310
Total Assets	13,290,198	12,616,002	3,869,594	842,716	149,400	30,767,910
Deferred Outflow of Resources - Related to Pensions	52,188	67,143	-	46,542	61,797	227,671
Deferred Outflow of Resources - Deferred Loss on Refunding	12,413	-	-	-	-	12,413
Deferred Outflow of Resources	64,601	67,143	-	46,542	61,797	240,083
Liabilities						
Current Liabilities:						
Accounts Payable	48,403	280,764	-	97,311	12,461	438,939
Accrued Expenses	4,176	5,492	-	4,121	6,562	20,352
Due to Pooled Cash	-	-	-	-	35,228	35,228
Deposits	259,007	-	-	12,623	-	271,630
Unearned Revenue	17,052	-	-	-	9,620	26,672
Due to Other Funds	157,196	-	-	-	-	157,196
Current Portion of Notes and Bonds Payable	367,621	-	-	-	-	367,621
Total Current Liabilities	853,455	286,256	-	114,054	63,872	1,317,638
Noncurrent Liabilities:						
Notes Payable	292,600	-	-	-	-	292,600
Revenue Bond Payable	12,340,000	-	-	-	-	12,340,000
Net Pension Liability	377,423	533,276	-	345,920	464,759	1,721,378
Total Noncurrent Liabilities	13,010,023	533,276	-	345,920	464,759	14,353,978
Total Liabilities	13,863,478	819,532	-	459,974	528,631	15,671,615
Deferred Inflow of Resources Related to Pensions	1,195	1,457	-	986	1,376	5,013
Net Position						
Net Investment in Capital Assets	(2,704,195)	10,359,692	3,853,474	635,762	85,528	12,230,261
Restricted for Debt Service	850,160	-	-	-	-	850,160
Unrestricted	1,344,161	1,502,464	16,119	(207,463)	(404,338)	2,250,944
Total Net Position	\$ (509,874)	\$ 11,862,156	\$ 3,869,594	\$ 428,299	\$ (318,809)	\$ 15,331,365

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village
Statement of Revenues, Expenses, and Changes in Net Position
Enterprise Funds
For the Fiscal Year Ended December 31, 2015

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Broadband</u>	<u>Non-major Enterprise Funds</u>	<u>Total</u>
Operating Revenues:						
Charges for Sales & Services	\$ 2,277,184	\$ 2,439,540	\$ -	\$ 1,717,541	\$ 935,781	\$ 7,370,045
Operating Grants and Contributions	-	-	-	-	46,231	46,231
Other	72,856	-	-	-	-	72,856
Total Operating Revenues	<u>2,350,040</u>	<u>2,439,540</u>	<u>-</u>	<u>1,717,541</u>	<u>982,012</u>	<u>7,489,133</u>
Operating Expenses:						
Cost of Sales & Services	1,133,410	1,414,788	193,103	1,384,582	833,312	4,959,195
Depreciation and Amortization	600,675	627,070	302,037	156,692	19,473	1,705,947
Total Operating Expenses	<u>1,734,085</u>	<u>2,041,858</u>	<u>495,140</u>	<u>1,541,273</u>	<u>852,786</u>	<u>6,665,142</u>
Operating Income (Loss)	<u>615,955</u>	<u>397,682</u>	<u>(495,140)</u>	<u>176,268</u>	<u>129,226</u>	<u>823,991</u>
Nonoperating Revenues (Expenses):						
Interest Income	72	-	-	-	-	72
Major Repairs and Replacements	(90,721)	-	-	-	-	(90,721)
Interest Expense	(480,291)	-	-	-	-	(480,291)
Loan Fees	(4,500)	-	-	-	-	(4,500)
Total Nonoperating Revenue (Expenses)	<u>(575,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(575,440)</u>
Income (Loss) Before Transfers	<u>40,516</u>	<u>397,682</u>	<u>(495,140)</u>	<u>176,268</u>	<u>129,226</u>	<u>248,552</u>
Transfers In	453,604	-	193,103	-	59,902	706,609
Transfers Out	(588,646)	(127,164)	-	(264,162)	(221,793)	(1,201,766)
Net Transfers From (To) Other Funds	<u>(135,043)</u>	<u>(127,164)</u>	<u>193,103</u>	<u>(264,162)</u>	<u>(161,891)</u>	<u>(495,157)</u>
Capital Grants & Contributions	-	173,002	-	-	-	173,002
Change in Net Position	(94,527)	443,520	(302,037)	(87,894)	(32,665)	(73,603)
Total Net Position - Beginning of Year	(101,913)	11,873,960	4,171,630	809,377	105,003	16,858,057
Prior Period Adjustment - Change in Accounting Pri	(313,435)	(455,324)	-	(293,184)	(391,146)	(1,453,089)
Total Net Position - Beginning of Year as Re-stated	<u>(415,348)</u>	<u>11,418,636</u>	<u>4,171,630</u>	<u>516,193</u>	<u>(286,143)</u>	<u>15,404,968</u>
Total Net Position - End of Year	<u>\$ (509,875)</u>	<u>\$11,862,156</u>	<u>\$ 3,869,593</u>	<u>\$ 428,298</u>	<u>\$ (318,808)</u>	<u>\$ 15,331,364</u>

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

**Statement of Cash Flows - Enterprise Funds
For the Fiscal Year Ended December 31, 2015**

	Housing Authority	Water and Sewer	Telluride Conference Center	Broadband	Non-Major Enterprise Funds	Total
Cash Flows from Operating Activities						
Receipts from Customers	\$ 2,290,800	\$ 2,352,713	\$ -	\$ 1,722,427	\$ 923,977	\$ 7,289,916
Operating Contributions	-	-	-	-	46,231	46,231
Payments to Suppliers	(846,629)	(1,044,841)	(259,071)	(1,150,951)	(423,395)	(3,724,887)
Payments to Employees	(267,293)	(325,822)	-	(233,403)	(390,116)	(1,216,634)
Other Receipts	72,856	-	-	-	-	72,856
Net Cash Provided by (Used in) Operating Activities	<u>1,249,734</u>	<u>982,050</u>	<u>(259,071)</u>	<u>338,073</u>	<u>156,696</u>	<u>2,467,483</u>
Cash Flows from Non-capital Financing Activities						
Transfers to Other Funds	(593,399)	(127,164)	-	(264,162)	(221,793)	(1,206,519)
Transfers from Other Funds	423,604	-	193,103	-	59,902	676,609
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(169,795)</u>	<u>(127,164)</u>	<u>193,103</u>	<u>(264,162)</u>	<u>(161,891)</u>	<u>(529,910)</u>
Cash Flows from Capital and Related Financing Activities						
Principal Payments - Notes and Bonds	(356,834)	-	-	-	-	(356,834)
Interest Expense	(430,640)	-	-	-	-	(430,640)
Loan Fees	(4,500)	-	-	-	-	(4,500)
Purchase of Major Repairs and Replacements	(90,721)	-	-	-	-	(90,721)
Purchase of Capital Assets	-	(1,756,814)	-	(125,976)	-	(1,882,790)
Capital Grants	-	-	-	-	-	-
Capital Grants and Contributions	-	173,002	-	-	-	173,002
Net Cash Used in Capital and Related Financing Activities	<u>(882,695)</u>	<u>(1,583,812)</u>	<u>-</u>	<u>(125,976)</u>	<u>-</u>	<u>(2,592,483)</u>
Cash Flows from Investing Activities						
Purchase of Investments	-	-	-	-	-	-
Interest Received	72	-	-	-	-	72
Net Cash Used in Investing Activities	<u>498,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,572</u>
Net Increase in Cash and Cash Equivalents	695,817	(728,926)	(65,967)	(52,065)	(5,195)	(156,337)
Cash and Cash Equivalents, Beginning of Year	729,646	2,664,176	82,087	256,154	5,395	3,737,458
Cash and Cash Equivalents, End of Year	<u>\$ 1,425,463</u>	<u>\$ 1,935,250</u>	<u>\$ 16,120</u>	<u>\$ 204,089</u>	<u>\$ 200</u>	<u>\$ 3,581,121</u>

Note: Totals may not foot due to rounding.

(Continued)

The accompanying notes are an integral part of the financial statements.

Town of Mountain Village

Statement of Cash Flows - Enterprise Funds
For the Fiscal Year Ended December 31, 2015

	<u>Housing Authority</u>	<u>Water and Sewer</u>	<u>Telluride Conference Center</u>	<u>Broadband</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 615,955	\$ 397,682	\$ (495,140)	\$ 176,268	\$ 129,226	\$ 823,991
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Depreciation and Amortization	600,675	627,070	302,037	156,692	19,473	1,705,947
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	17,978	(86,827)	-	4,486	(15,717)	(80,080)
(Increase) Decrease in Deferred Revenue	(3,649)	-	-	-	3,416	(233)
Increase (Decrease) in Net Pension Liability	12,995	12,265	-	7,179	13,192	45,631
(Increase) Decrease in Prepaid Items	-	-	-	(71)	-	(71)
Increase (Decrease) in Accounts Payable	13,819	40,531	(65,967)	(316)	6,609	(5,324)
Increase (Decrease) in Accrued Expenses	(7,326)	(8,671)	-	(6,564)	-	(22,561)
Increase (Decrease) in Accrued Revenues	-	-	-	-	497	497
Increase (Decrease) in Deposits	(713)	-	-	400	-	(313)
	<u>\$ 633,779</u>	<u>\$ 584,368</u>	<u>\$ 236,069</u>	<u>\$ 161,805</u>	<u>\$ 27,470</u>	<u>\$ 1,643,492</u>
Total						
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,249,734</u>	<u>\$ 982,050</u>	<u>\$ (259,071)</u>	<u>\$ 338,073</u>	<u>\$ 156,696</u>	<u>\$ 2,467,483</u>

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

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TOWN OF MOUNTAIN VILLAGE, COLORADO

Notes to Basic Financial Statements

December 31, 2015

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Mountain Village, Colorado (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The Town of Mountain Village, Colorado (the Town) was incorporated March 10, 1995 and operates under a Home Rule Charter and a council/mayor form of government with seven elected council members. As required by accounting principles generally accepted in the United States of America, after consideration of any potential component units for which the Town is financially accountable, there are no component units required to be presented in these financial statements.

On December 13, 2006, the District Court, San Miguel County, Colorado, approved the dissolution of the Mountain Village Metropolitan District (the District) effective January 1, 2007, which was approved by the District's electors on November 7, 2006. **The District will stay in existence to the extent necessary to provide for the payment of the debt service requirements of its outstanding general obligation bonds.** The Town Council, acting as the Board of Directors of the District, will be responsible for setting an annual mill levy on behalf of the District for the payment of the debt service requirements.

All other assets and obligations of the District have been transferred to the Town for providing the following services:

- Domestic water system
- Wastewater treatment system
- Road and bridge system
- Transportation (Gondola, Chondola, Employee Shuttle Program and Municipal Bus)
- Public parks and recreational facilities
- Telluride Conference Center
- Television relay and translator facilities
- Water rights

At a special Town election on November 7, 2006, the electorate approved an increase in taxes by \$2.75 million in 2007, and by such amounts annually thereafter that may be generated by the imposition of an additional mill levy not to exceed 10 mills for the purpose of funding the continued administration, operation, maintenance and capital replacement of the facilities and operations being assumed by the Town upon the dissolution of the District, without limitations contained in Article X, Section 20, of the Colorado Constitution.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Fund Financial Statements

The accounts of the Town are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The *Gondola Fund* is used to account for revenues restricted for the purpose of financing, improving and operating a gondola and "Chondola" transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded mainly through contributions from TMVOA and TSGC.

Note 1 - Summary of Significant Accounting Policies (Continued)

- The *Debt Service Fund* is used to account for the accumulation of resources and payment of general obligation bond principal and interest.
- The *Tourism Fund*, which accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The *Capital Projects Fund*, which accounts for the acquisition and construction of major capital facilities other than those financed by enterprise funds.
- The *Historical Museum Fund*, which accounts for the proceeds of a .333 property tax mill levy as authorized by the Town's electorate for remittance to the Telluride Historical Museum, a nonprofit entity.
- The *Vehicle and Equipment Acquisition Fund*, which accounts for the acquisition of vehicles and other capital equipment for the general government.

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external users on a continuing basis be financed or recovered primarily through user charges.

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for apartment rental, charges to users for water and sewer, Broadband Services, conference center sales and services, and preschool and daycare fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town's major enterprise funds consist of:

- The Town of Mountain Village *Housing Authority*, which accounts for the Village Court apartments, as well as the Affordable Housing Development Fund and the Mortgage Assistance Pool Fund.
- The *Water and Sewer Fund* which accounts for water service to Mountain Village, the "Ski Ranches", and West Meadows or "Skyfield" housing communities and maintaining sewer service for Mountain Village.
- The *Broadband Fund* which accounts for cable television, digital phone service, and high speed internet services to Mountain Village residents.
- The *Telluride Conference Center (TCC) Fund* which accounts for the operations of the Telluride Conference Center, primarily funded by charges for sales and services, providing

Note 1 - Summary of Significant Accounting Policies (Continued)

the area with 11,000 square feet of meeting space, video conferencing services, and food and beverage services. In October 2009, the conference center operations were turned over to an outside local party under an agreement that was terminated in October 2012. A new 5-year agreement was executed with another party at that time.

The remaining enterprise funds are aggregated and presented as non-major funds. Those funds include:

- The *Child Development Fund*, which accounts for a daycare and preschool program in the Town.
- The *Parking Services Fund*, which accounts for all parking related expenses and revenues.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and attach as a lien on property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Those revenues susceptible to accrual are taxes, interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Money market funds and external investment pools are stated at cost, which is equal to fair value. All other investments are stated at fair value based on quoted market values.

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

The Town of Mountain Village property taxes for the current year are levied and attach as a lien on property the following January 1. Property taxes in Mountain Village are payable in full by April 30 or in two equal installments due February 28 and June 15. Town property taxes are reported as receivable and deferred inflows of resources at December 31. The deferred property taxes are reported as revenue in the year they are available and collected.

I. Restricted Assets

Certain proceeds of the enterprise fund's revenue bonds, as well as other resources, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The debt service fund is used to segregate resources accumulated for debt service payments. The debt service reserve fund is set aside to provide funds for potential deficiencies that could adversely affect debt service payments. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

J. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and a value of \$5,000 or greater.

All assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Interest costs are capitalized when incurred by enterprise funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax exempt borrowing arrangements restricted for the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings and Improvements	30 - 31.5 years
Vehicles and Equipment	5 years
Gondola	50 years
Water System	40 years
Sewer System	50 years
Broadband Services System	20 years
Regional Communications System	10 years
Other Infrastructure	50 years

K. Deferred Outflows of Resources

Deferred outflows of resources consist of situations where current and advance refunding result in the defeasance of debt. The difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources.

L. Accrued Liabilities for Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused paid time off (PTO). In the government-wide statements, PTO is accrued when incurred and reported as a liability of the governmental and business-type activities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

M. Net Position

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

The Town's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

N. Inter-fund Transactions

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between *total fund balances - governmental funds* and *total net position - governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances - governmental funds* and *changes in net position - governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

Note 4 - Budgets

Approximately five months prior to the beginning of each year, the Mayor prepares a proposed budget and an accompanying message for the ensuing year and submits it to the Town Council.

The budget represents a complete financial plan of all Town funds and activities for the ensuing year indicating anticipated revenues, proposed operating, debt and capital expenditures, including a provision for contingencies. In addition, a long-range capital expenditure program is submitted and incorporated into the current year budget as applicable. The total proposed expenditures and provisions for contingencies shall not exceed the total of estimated revenues plus fund balance.

A public hearing on the proposed budget and proposed capital program is held by the Town Council prior to its final adoption. After the public hearing, the Council may adopt the budget with or without amendment.

The Council shall adopt the budget by ordinance on or before the final day established by law for the certification of the ensuing year’s tax levy to the County. Adoption of the budget by the Town Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

Note 4 – Budgets (Continued)

If during the year the Mayor determines that there are revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the year it appears probable to the Mayor that the revenues available will be insufficient to meet the amount appropriated, he or she shall report to the Council without delay, indicating the estimated amount of deficit, any remedial action already taken, and his or her recommendation as to any further steps to be taken. Any time during the year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, within an office or within a fund. The Council may also, by ordinance, transfer part or all of any unencumbered appropriated balance from one department, office, or fund to another. The Town amended its original 2015 budget by decreasing budgeted expenditures for the various funds by \$2,377,830. Budget appropriations lapse at the end of each year.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditure of funds in future periods) is not used by the Town for budget or financial reporting purposes.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgets for the enterprise funds are adopted on a basis consistent with the governmental funds. Following are the adjustments to convert GAAP basis expenditures to budgetary basis expenditures:

	VCA	Child Development	Telluride Conference Center	Broadband	Water and Sewer	Parking Services
GAAP Basis	\$ 2,206,187	\$ 572,488	\$ 495,140	\$ 1,541,273	\$ 2,041,858	\$ 280,298
Add (Deduct)						
Depreciation	(600,675)	(19,473)	(302,037)	(156,692)	(627,070)	-
Capital Outlay	-	-	-	125,976	1,756,814	-
Debt Principal Payments	356,834	-	-	-	-	-
Budgetary Basis	1,962,346	553,015	193,103	1,510,558	3,171,602	280,298
Final Budget	1,956,688	590,306	183,335	1,476,636	3,909,217	363,283
Variance	\$ (5,658)	\$ 37,291	\$ (9,768)	\$ (33,922)	\$ 737,615	\$ 82,985

Budgeted Expenditures in Excess of Appropriations

Expenditures for the Tourism Fund exceeded budget by \$77,683, which may be a violation of the Town's Charter. The budget overage resulted from substantial increases in lodging and restaurant taxes, which funds MTI and the Airline Guaranty by contractual agreement.

Expenditures for the Broadband Fund exceeded budget by \$26,743, which may be a violation of the Town's Charter. The budget overage resulted from additional costs incurred for the high speed internet upgrade.

Note 5 - Deposits and Investments

A. Deposits

The Colorado Public Deposit Protection Act (PDPA) governs the Town's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the carrying amount of the Town's deposits was \$4,275,792 and the bank balances were \$4,279,234. Of this amount, \$500,000 is covered by federal depository insurance and \$3,779,234 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of a number of government accounts of which the Town is a part.

B. Investments**Credit Risk**

The Town's Charter specifies that the Town's investments conform to State statutes. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: obligations of the United States and certain United States government agency securities; certain international agency securities; general obligation and revenue bonds of local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; guaranteed investment contracts; and corporate or bank debt subject to certain limitations. The Town has no investment policy that would further limit its investment choices.

Interest Rate Risk

The maximum maturity date for all securities shall be no more than five years from the date of purchase unless otherwise authorized by the governing body.

C. A reconciliation of cash and investments to the amount shown on the statement of net position follows:

Cash and Investments:	
Cash on hand	\$ 2,100
Carrying amount of deposits	4,278,292
Carrying amount of investments	9,586,497
	<u>\$ 13,866,890</u>
Statement of Net Position:	
Cash	\$ 6,172,442
Due to pooled cash	(1,897,670)
Deposits	695,019
Investments	7,219,197
Debt service reserve fund	850,160
Bond reserve fund	827,742
	<u>\$ 13,866,890</u>

Note 5 - Deposits and Investments (continued)

The following summarizes the Town's investments and maturities as of December 31, 2015:

Investment Type	Fair Value	Maturity Date
FED Home Loan Bank (Rated AAA)	250,017	2016
FED Home Loan Banks Bnd (Rated AAA)	250,441	2016
US Treasury Note (Unrated)	249,564	2016
FED National Mortgage (Rated AAA)	250,101	2017
FED Home Loan Banks Bnd (Rated AAA)	250,824	2017
Freddie Mac UNNT (Rated AAA)	249,524	2017
Federal Farm Credit Bank (Rated AAA)	250,004	2017
FED Home Loan Bank (Rated AAA)	248,928	2017
FED Home Loan Bank (Rated AAA)	249,381	2017
FED Home Loan Bank (Rated AAA)	248,599	2018
Freddie Mac (Rated AAA)	249,556	2018
Fannie Mae Note (Rated AAA)	248,362	2018
Freddie Mac (Rated AAA)	247,535	2018
FED Home Loan Banks Bnd (Rated AAA)	247,114	2018
FED Home Loan Banks Bnd (Rated AAA)	249,572	2018
FED Home Loan Bank (Rated AAA)	248,601	2018
Federal Farm Credit Bank (Rated AAA)	248,294	2018
Freddie Mac (Rated AAA)	249,333	2018
FED Home Loan Bank (Rated AAA)	247,408	2019
Federal Farm Credit Bank (Rated AAA)	246,808	2020
Fannie Mae Note (Rated AAA)	250,340	2019
FED Home Loan Banks Bnd (Rated AAA)	50,003	2016
Fannie Mae (Rated AAA)	50,068	2019
FED Home Loan Bank (Rated AAA)	49,786	2017
Federal Farm Credit Bank (Rated AAA)	49,575	2019
Total	<u>5,429,738</u>	
First American Prime Obligations Rated AAA/A+1	400,075	2025
First American Prime Obligations Rated AAA/A+1	450,085	2025
COLOTRUST	9,783	n/a
Money Market Funds (Unrated)	<u>3,296,816</u>	n/a
Total	<u>\$ 9,586,497</u>	

COLOTRUST and CSAFE are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. They are routinely monitored by the Colorado Division of Securities with regard to their operations and investments, which is also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST and CSAFE are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAAM by Standard and Poor's. Financial statements for COLOTRUST may be obtained from www.colotruster.com.

Note 6 - Note Receivable

The notes receivable in the amount of \$164,000 consists of notes from employees participating in the *Town of Mountain Village Housing Authority Employer Assisted Housing Program with Shared Appreciation*. The program is to assist employees who are unable to qualify for a conventional mortgage on various affordable for sale housing projects located in the Town or the community.

Note 6 - Note Receivable (continued)

The notes are payable upon the sale of the real property or 30 days following resignation or termination.

The Town has promissory notes receivable from a developer in the total amount of \$753,636. Principal and any accrued interest at The Wall Street Journal prime plus one percent are payable June 23, 2019 or earlier on the occurrence of certain events specified in the notes. The notes receivable are reported as unearned revenue and will be recognized as revenue in the years funds are available and collected. Interest due on June 1, 2015 remains unpaid and the notes are now in default and the Town has notified the issuer and is considering its options regarding the default.

Note 7 – Inter-fund Receivables, Payables and Transfers

Inter-fund receivables and payables consist of the following as of December 31, 2015:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service	\$ 852,081
Housing Authority	General Fund	\$ 6,467

The outstanding balances between funds result mainly from the time lag between the dates payments between funds are made and borrowings from the pooled cash account.

Transfers between funds for the year ended December 31, 2015, were as follows:

Transfer From	Transfer To						Total
	General	Debt Service	Non-Major Governmental Funds	Telluride Conference Center	Housing Authority	Non-Major Enterprise Funds	
General Fund	\$ -	\$ -	\$ 283,305	\$ 193,103	\$ 423,604	\$ 59,902	\$ 959,914
Gondola	43,735	-	-	-	-	-	43,735
Debt Service	149,178	-	-	-	-	-	149,178
Non-Major Enterprise Funds	221,793	-	-	-	-	-	221,793
Tourism Fund	62,645	-	-	-	-	-	62,645
Housing Authority	105,444	-	453,202	-	30,000	-	588,646
Broadband	264,162	-	-	-	-	-	264,162
Water and Sewer	127,164	-	-	-	-	-	127,164
Total	\$ 974,121	\$ -	\$ 736,507	\$ 193,103	\$ 453,604	\$ 59,902	\$ 2,417,237

Transfers are used to move unrestricted revenues of various funds to the General Fund and to move General Fund revenues to other funds to provide subsidies or matching funds for various projects.

Note 8 - Development Property Held for Sale

The Town owns 1 deed restricted condominium. Following is a summary of cumulative costs incurred as of December 31, 2015:

Buildings	Deed Restricted Town Properties	
	Properties	Total
	\$ 278,268	\$ 278,268
Total	\$ 278,268	\$ 278,268

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 2,253,578	\$ -	\$ -	\$ 2,253,578
Construction in Progress	695,531	26,125	(233,137)	488,519
Total Capital Assets Not Being Depreciated	2,949,109	26,125	(233,137)	2,742,097
Capital Assets Being Depreciated				
Buildings and Improvements	9,962,000	579,676	-	10,541,676
Gondola Transit System	20,708,678	-	-	20,708,678
Vehicles and Equipment	3,574,888	737,674	(123,133)	4,189,429
Infrastructure	28,399,000	-	-	28,399,000
Total	62,644,566	1,317,350	(123,133)	63,838,783
Less Accumulated Depreciation:				
Buildings and Improvements	(3,073,624)	(328,058)	-	(3,401,682)
Gondola Transit System	(4,145,062)	(521,709)	-	(4,666,771)
Infrastructure	(7,470,383)	(305,911)	-	(7,776,294)
Vehicles and Equipment	(2,797,846)	(1,055,287)	123,132	(3,730,001)
Total	(17,486,915)	(2,210,965)	123,132	(19,574,748)
Capital Assets Being Depreciated, Net	45,157,651	(893,615)	(1)	44,264,035
Total Governmental Activities Capital Assets	\$ 48,106,760	\$ (867,490)	\$ (233,138)	\$ 47,006,132

Depreciation was charged to governmental activity functions/programs as follows:

General Government	\$ 25,410
Administration	83,435
Public Safety	88,425
Roads & Bridges	717,644
Equipment & Property Maintenance	237,066
Parking & Transportation	1,058,985
Total	<u>\$ 2,210,965</u>

Note 9 - Capital Assets (Continued)

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 160,499	\$ -	\$ -	\$ 160,499
Construction in Progress	74,092	1,595,594	-	1,669,686
Total	<u>234,591</u>	<u>1,595,594</u>	<u>-</u>	<u>1,830,185</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	24,155,051	-		24,155,051
Water Systems	6,411,299	104,786	-	6,516,085
Sewer Systems	7,506,054	28,774		7,534,828
Broadband Systems	2,013,272	39,383		2,052,655
Vehicles and Equipment	971,294	114,254	-	1,085,548
Total	<u>41,056,971</u>	<u>287,196</u>	<u>-</u>	<u>41,344,167</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,501,760)	(869,064)	-	(10,370,824)
Water Systems	(2,753,198)	(338,669)	-	(3,091,867)
Sewer Systems	(2,004,805)	(275,852)	-	(2,280,658)
Cable TV Systems	(1,394,632)	(142,396)	-	(1,537,028)
Vehicles and Equipment	(648,130)	(79,965)	-	(728,095)
Total	<u>(16,302,525)</u>	<u>(1,705,947)</u>	<u>-</u>	<u>(18,008,472)</u>
Capital Assets Being Depreciated, Net	<u>24,754,446</u>	<u>(1,418,751)</u>	<u>-</u>	<u>23,335,695</u>
Total Business-type Activities Capital Assets	<u>\$ 24,989,037</u>	<u>\$ 176,843</u>	<u>\$ -</u>	<u>\$ 25,165,880</u>

Note 10 - Long-term Liabilities

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Tax Supported:					
Series 2005	1,940,000	-	(615,000)	1,325,000	645,000
Series 2007	4,885,000	-	(1,555,000)	3,330,000	1,625,000
Series 2009	895,000	-	(290,000)	605,000	295,000
Series 2006A	720,000	-	(230,000)	490,000	240,000
Series 2014	7,155,000	-	(15,000)	7,140,000	15,000
Self Supported:					
Series 2011	2,595,000	-	(110,000)	2,485,000	115,000
Total General Obligation Bonds	18,190,000	-	(2,815,000)	15,375,000	2,935,000
Discount/Premiums, Net	715,837	-	(85,628)	630,209	85,628
Compensated Absences	443,730	668,547	(651,594)	460,683	46,068
Total Governmental	19,349,567	668,547	(3,552,222)	16,465,892	3,066,696
Business-type Activities					
Note Payable	1,017,055	-	(356,834)	660,221	367,621
Revenue Bonds	12,340,000	-	-	12,340,000	-
Total Business-type	13,357,055	-	(356,834)	13,000,221	367,621
Total Long-term Liabilities	\$ 32,706,623	\$ 668,547	\$ (3,909,056)	\$ 29,466,114	\$ 3,434,317

The compensated absences liabilities are liquidated by the General Fund.

Note 10 - Long-term Liabilities (Continued)

General Obligation Bonds***Series 2005***

On September 20, 2005, the District issued \$5,740,000 of General Obligation Refunding Bonds; Series 2005, to advance refund \$5,780,000 of outstanding General Obligation Bonds, Series 1998, with maturity dates of December 1, 2009 through December 1, 2017. On January 1, 2007, the Town assumed this debt. Principal on the bonds is payable December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1. The Series 2005 bonds are not subject to redemption prior to maturity.

Series 2006A

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds to finance construction of a public parking facility. Bonds maturing on or after December 1, 2017 are subject to optional redemption on December 1, 2016, and any date thereafter prior to maturity without a redemption premium. Principal on the bonds is payable annually on December 1 with interest at 4.00% to 5.00%, payable semi-annually on June 1 and December 1 through 2036. On January 1, 2007, the Town assumed this debt. A portion of the bonds outstanding were refunded on an advance refunding basis on December 1, 2014 from the proceeds of the General Obligation Refunding Bonds Series 2014. Bonds maturing in 2015, 2016 and 2017 remain outstanding and the total \$720,000 outstanding will be paid as scheduled.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

Series 2007

On October 23, 2007, the District issued \$9,375,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an escrow account with respect to the District's General Obligation Refunding Bonds, Series 1997.

The Bonds mature between 2009 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 3.75% to 5.25%, payable semi-annually on June 1 and December 1.

Series 2009

On December 1, 2009 the District issued \$2,270,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds were used to fund an optional redemption at par of all outstanding 1998 Series bonds.

The Bonds mature between 2010 and 2017 and are not subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

Note 10 - Long-term Liabilities (Continued)

Series 2011

On September 1, 2011 the District issued \$3,025,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an optional redemption at par of all outstanding 2001 Series bonds. TMVOA and TSGC agreed to fund all debt service costs related to the Series 2011 bonds.

The Bonds mature between 2011 and 2032 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.5% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing December 1, 2023, December 1, 2026, and December 1, 2032 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. The bonds subject to mandatory sinking fund redemption shall be selected by lot in such manner as the Registrar shall determine (giving proportionate weight to Bonds in denominations larger than \$5,000).

Series 2014

On December 1, 2014 the District issued \$7,155,000 in General Obligation Refunding Bonds. A portion of the net proceeds of the Bonds, together with other funds of the District, were used to fund an advance refunding of a portion of the 2006A Series bonds. The bonds maturing on or after December 1, 2018 in the aggregate principal amount of \$7,350,000 are the bonds defeased and paid from the refunding bond escrow.

The Bonds mature between 2015 and 2036 and are subject to redemption prior to maturity. Principal on the bonds is payable annually on December 1 with interest at 2.0% to 4.0%, payable semi-annually on June 1 and December 1.

The bonds maturing on or after December 1, 2023 are subject to redemption prior to maturity at the option of the district, on December 1, 2022 or on any date thereafter in whole or in part from such maturities as are selected by the district at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

The bonds were issued at a total cost of \$125,085. Total debt service remaining on the old bonds was \$12,298,025, the total debt service on the new bonds is \$10,914,086. The savings resulting from the cash flow differential between the old issue and the new issue was \$1,383,939. The present value of the savings was \$1,028,432.

The Town of Mountain Village pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order, is now responsible for the public parking facility project. Commencing in December of 2007, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A bond on the next succeeding June 1 and December 1 is not on deposit, The District is required to levy an ad valorem property tax sufficient to make such payments.

Note 10 - Long-term Liabilities (Continued)

Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds, are as follows:

Debt Service Requirements			
<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	3,569,675	2,935,000	634,675
2017	3,566,963	3,075,000	491,963
2018	732,875	390,000	342,875
2019	738,925	405,000	333,925
2020	729,625	405,000	324,625
2021	737,475	425,000	312,475
2022	733,425	435,000	298,425
2023	731,025	450,000	281,025
2024	738,025	475,000	263,025
2025	734,025	490,000	244,025
2026	726,150	500,000	226,150
2027	732,900	525,000	207,900
2028	733,725	545,000	188,725
2029	733,825	565,000	168,825
2030	733,175	585,000	148,175
2031	736,800	610,000	126,800
2032	727,400	625,000	102,400
2033	532,400	455,000	77,400
2034	534,200	475,000	59,200
2035	535,200	495,000	40,200
2036	530,400	510,000	20,400
	<u>\$ 20,268,213</u>	<u>\$ 15,375,000</u>	<u>\$ 4,893,213</u>

The 2006, 2009, 2011 and 2014 bond resolutions require the maintenance of a liquidity reserve of \$300,000. The liquidity reserve is available to pay debt service on all of the District's outstanding General Obligation bonds.

Note 10 - Long-term Liabilities (Continued)

Authorized Unissued Debt

The Town has no authorized or unissued debt.

Taxable Loan

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$1,076,000 in taxable debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the construction loan agreement, dated June 12, 2006. The loan has a fixed rate of 3.3% with a maturity date December 1, 2017.

Following is the debt service requirements of the 2014 Series B Loan to maturity:

Debt Service Requirements Loan Series 2014B

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 389,771	\$ 367,621	\$ 22,150
2017	\$ 302,390	\$ 292,600	\$ 9,790
	<u>\$ 692,161</u>	<u>\$ 660,221</u>	<u>\$ 31,940</u>

Tax Exempt Loan

On September 30, 2014 the Town of Mountain Village Housing Authority issued \$12,340,000 in tax exempt debt in the form of a loan secured by pledged revenues, a deed of trust, a sales tax revenue fund and a debt service reserve. The loan proceeds were used to refinance the Series 2000 revenue bonds. The loan has a fixed rate of 3.17% with a maturity date December 1, 2024.

Following is the debt service requirements of the 2014 Series A Loan to maturity:

Revenue Bonds Debt Service Requirements Loan Series 2014A

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 397,698	\$ -	\$ 397,698
2017	\$ 461,084	\$ 64,473	\$ 396,611
2018	\$ 788,277	\$ 393,738	\$ 394,539
2019	\$ 788,277	\$ 406,393	\$ 381,884
2020	\$ 788,274	\$ 418,441	\$ 369,833
2021	\$ 788,278	\$ 432,904	\$ 355,374
2022	\$ 788,277	\$ 446,817	\$ 341,460
2023	\$ 788,277	\$ 461,178	\$ 327,099
2024	\$ 10,029,188	\$ 9,716,056	\$ 313,132
	<u>\$ 15,617,630</u>	<u>\$ 12,340,000</u>	<u>\$ 3,277,630</u>

Note 10 - Long-term Liabilities (Continued)

Pledged Revenues

The Town has issued General Obligation and Housing Facility Revenue Bonds which are outstanding through year end. These bonds were issued to finance various projects within each of the issuing funds, with pledged revenues coming from property taxes levied (for GO Bonds) and rent revenues (for Housing Authority Debt).

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
Governmental Activities:		
Series 05	\$ 1,325,000	2017
Series 06A	\$ 490,000	2017
Series 07	\$ 3,330,000	2017
Series 09	\$ 605,000	2017
Series 11	\$ 2,485,000	2032
Series 14	\$ 7,140,000	2036
Business-type Activities:		
Series 14A Loan	\$ 12,340,000	2024
Series 14B Loan	\$ 660,221	2017

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage or comparison of pledged revenues net of specific operating expenses, for each pledged debt is outlined in the Pledged-Revenue Coverage Table in the Statistical Section of this Comprehensive Annual Financial Report.

Note 11 - Relationship with Other Entities

TMVOA and the Town are members of the Mountain Village Condominium Owner's Association (MVCOA), which was created to manage the complex that includes a grocery store, postal and municipal office facilities.

The Telluride Fire Protection District (Fire District) and the Town have an intergovernmental agreement for the ownership of a joint service facility. The Fire District is responsible for administration of the joint service facility. The Town reports its percentage interest in the joint facility as a capital asset and its percentage of the joint service facility's operating costs as an operating expense. The Town's carrying value of its interest in the joint facility was \$517,024 as of December 31, 2015.

Marketing Telluride, Inc. (MTI) provides services to promote the communities of Telluride and Mountain Village. During 2012, the Town contributed 100% of the Town's business license revenues, net of a 6% administrative fee and ½ of a 4% lodging tax, net of a 2% administrative fee,

Note 11 - Relationship with Other Entities (Continued)

imposed on the rental of accommodations within the Town to assist in funding these services. The total amount expended related to the funding to MTI during 2015 was \$1 million, which includes an additional funding request of \$8,100 for a guest services agent.

Beginning in 2004, the Town imposed a 2% sales tax on bar and restaurant sales to fund the Airline Guaranty Program administered by the TMRAO. The objective of the Airline Guaranty Program is to increase air service into the Telluride and Montrose regional airports. In addition, in 2003, the lodging tax was increased to 4%, with 2% of the tax to fund services provided by MTI above. The additional 2% is to fund the Airline Guaranty Program. The amount remitted to TMRAO during 2015 was \$1.1 million.

Note 12 - Transfer of Assets and Assumption of Services

On September 28, 2006, the District issued \$8,900,000 in General Obligation Bonds, Series 2006A, to finance construction of a public parking facility. The Town, pursuant to the terms of the Transfer of Assets and Assumption of Services Agreement and The District Dissolution Order (Order), became responsible for the project. Commencing in December of 2007, if the amount in the debt service fund is insufficient as provided in the approving resolution, the Town shall consider annually an appropriation in an amount sufficient to pay the principal and interest coming due on the Series 2006A Bonds from its available funds. If on or before December 15th of each year, commencing December 15, 2007, an amount sufficient to pay the principal of and interest due on the 2006A Bonds on the next succeeding June 1 and December 1, is not on deposit, the District is required to levy an ad valorem property tax sufficient to make such payments.

In 1997, TMVOA entered into an agreement with TSGC to pay a certain portion of operational costs of the Chondola, which provides supplemental public transportation within the Town. The agreement is for a term of one year and automatically renews for one-year terms unless terminated by either party. The final capital lease payment was made June 1, 2007. TMVOA assigned its responsibilities under the agreement to the District effective January 1, 2004. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TMVOA and TSGC have agreed to fund operations and maintenance costs of the gondola transit system operated by the District through December 31, 2027. The operation and maintenance costs of the gondola are paid by TMVOA except for a 1% surcharge on certain ski lift tickets, which is contributed by TSGC. Effective January 1, 2007, the responsibilities under the agreement were transferred to the Town pursuant to the Order.

TSGC leases a portion of a maintenance facility formerly from the District, now the Town. The original lease is now paid and the monthly rental for the balance of the ninety-nine year lease is \$1 with an option to purchase by each party for \$10. Effective January 1, 2007 the lease was transferred to the Town pursuant to the Order.

In exchange for contributing certain water and sewer systems to the District in 1984, TSGC was to be given free water and sewer services and taps so long as such credit does not exceed \$36,000 annually, increasing by 4% each year. The Town assumed the obligation effective January 1, 2007. The Town has determined that the water credit exceeded the \$36,000 annual increased by 4% each

Note 12 - Transfer of Assets and Assumption of Services (Continued)

year, therefore the agreement was terminated and the Town will no longer be refunding water and sewer fees to TSG.

Effective January 1, 2004 TMVOA transferred the following functions and assets to the District.

- Common area property maintenance - open space parcels and related management functions.
- Trash services - trash facilities and removal.
- Postal operations - postal operations within Mountain Village.

Effective January 1, 2007, the village activities functions were transferred to the Town in accordance with the Order with continued funding by TMVOA. The Town continued the village activities function through August of 2007, at which time, it was transferred to TMVOA. Property Maintenance, Trash Services, and Postal Operations were transferred to the Town in accordance with the Order. The agreement with TMVOA for funding common area maintenance, trash services and postal functions was terminated and these functions and services were transferred to the Town effective January 1, 2007.

Under the agreement to sell Lots 50 and 51, TMVOA and MVMD agreed to purchase certain improvements to be constructed by the purchaser of the properties. These improvements include subsurface facilities (122 parking spaces, a loading dock and a pro-rata share of the cost to construct a ramp and tunnel to the garage), an ice skating rink, a skate rental facility, a building to house the Zamboni used for ice maintenance, public restrooms and certain plaza improvements. The purchase price for the subsurface facilities is \$5,867,000, plus an allowance of 8% (\$470,000) for soft costs. MVMD agreed to fund the subsurface facility costs through a bond issue in the amount of \$8,900,000. TMVOA subsequently assigned all of their rights to purchase the other improvements to MVMD (now the Town) and agreed to fund the purchase of all of the improvements, with the exception of the subsurface facilities.

Note 13 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town belongs to the Colorado Intergovernmental Risk Sharing Agency (CIRSA) property and casualty pool, a public entity risk pool currently operating as a common risk management and insurance program for members. CIRSA is to be self-sustaining through member premiums and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency. Claims settlements have not exceeded coverage in the last three years.

Effective January 1, 2007, the Town changed its health insurance program from a self-insured program to a government pooled plan with the non-profit Colorado Employer Benefit Trust (CEBT). The Colorado Employer Benefit Trust (CEBT) is a multiple employer trust for public institutions providing employee benefits. Since 1980 CEBT has grown to approximately 25,000

Note 13 - Risk Management (continued)

members and about 260 participating groups. The Trust is governed by a Board of Trustees made up of representatives from participating groups. The Trust fund is approaching \$125,000,000 in annual premium deposits with approximately \$35,000,000 in reserves. The purpose of the CEBT is to spread risk of adverse claims over a larger base of members and to recognize reduced administrative costs through economies of scale. Under this program the Town takes on no additional risk beyond monthly premiums. If claim costs should exceed the Town's monthly plan premiums, CEBT will take on the additional cost associated with those claims. In 2015, claims from the Town employees and family members were 91% of premiums submitted.

Note 14 - Retirement Plans

Defined Benefit Pension Plan**Summary of Significant Accounting Policies**

Pensions The Town of Mountain Village participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description Eligible employees of The Town of Mountain Village are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

Note 14 - Retirement Plans (Continued)

- The value of the retiring employee’s member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Eligible employees and The Town of Mountain Village are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended 12/31/2015	For the Year Ended 12/31/2014
Employer Contribution Rate ¹	10.00%	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	-1.02%	-1.02%
Amount Apportioned to the LGDTF ¹	8.98%	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Note 14 - Retirement Plans (Continued)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The Town of Mountain Village is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from The Town of Mountain Village and enterprise funds were \$708,244 for the year ended December 31, 2015. The fund breakout is shown below:

Employer Contributions		
Governmental Funds	\$	568,083
Broadband Fund		27,551
Water/Sewer Fund		40,724
Child Development Fund		38,458
VCA (Affordable Housing) Fund		33,429
Total	\$	<u>708,244</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, The Town of Mountain Village reported a liability of \$8,767,731 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The Town of Mountain Village proportion of the net pension liability was based on The Town of Mountain Village contributions to the LGDTF for the calendar year 2014 relative to the total contributions of participating employers to the LGDTF. The fund breakout is shown below:

Allocation of Net Pension Liability (NPL)			
Governmental Funds	\$	7,046,353	80.37%
Broadband Fund		345,920	3.95%
Water/Sewer Fund		533,276	6.08%
Child Development Fund		464,759	5.30%
VCA (Affordable Housing) Fund		377,423	4.30%
Total	\$	<u>8,767,731</u>	<u>100.00%</u>

At December 31, 2014, The Town of Mountain Village proportion was 0.9782040094%, which was a decrease of .0051235787% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the recognized pension expenses for the Town and the enterprise funds were as follows:

Pension Expense	
Governmental Funds	\$ 719,744
Broadband Fund	34,730
Water/Sewer Fund	52,989
Child Development Fund	51,650
VCA (Affordable Housing) Fund	46,424
Total	<u>\$ 905,536</u>

Note 14 - Retirement Plans (Continued)

For the year ended December 31, 2015, The Town of Mountain Village recognized pension expense of \$905,536. At December 31, 2015, The Town of Mountain Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,761
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	475,475	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	23,574
Contributions subsequent to the measurement date	708,263	-
Total	\$ 1,183,738	\$ 25,335

\$708,263 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Amortization for the Year Ended
12/31:**

2016	98,919
2017	113,488
2018	118,871
2019	118,862
2020	-
Thereafter	-

Actuarial assumptions The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic) Financed by the Annual Increase Reserve	

Note 14 - Retirement Plans (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The

Note 14 - Retirement Plans (Continued)

discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of The Town of Mountain Village proportionate share of the net pension liability to changes in the discount rate The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Collective Net Pension Liability	\$ 1,463,771,000	\$ 896,309,000	\$ 423,212,000
Governmental Funds	11,507,433	7,046,353	3,327,080
Broadband Fund	564,923	345,920	163,333
Water/Sewer Fund	870,895	533,276	251,797
Child Development Fund	759,000	464,759	219,446
VCA (Affordable Housing) Fund	616,371	377,423	178,208
Town of Mountain Village Total	\$ 14,318,623	\$ 8,767,731	\$ 4,139,864

Pension plan fiduciary net position Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description - Employees of The Town of Mountain Village that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. In addition, The Town of Mountain Village has agreed to match employee contributions up to 9 percent of covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. The 401(k) Plan member contributions from the Town for the year ended December 31, 2015, were \$310,427. The employer contributions to the 401(k) Plan from the Town for the year ended December 31, 2015 were \$220,976.

Other Post-Employment Benefits**Health Care Trust Fund**

Plan Description – The Town of Mountain Village contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Town of Mountain Village is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for The Town of Mountain Village are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2015, 2014, and 2013, The Town of Mountain Village contributions to the HCTF were \$56,792, \$54,673 and \$45,102, respectively, equal to their required contributions for each year.

Law Enforcement Pension Plans

Law enforcement employees participate in the statewide Fire and Police Pension Association (FPPA) money purchase plan, a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the money purchase plan plus investment earnings. The employees contribute at the rate of 8% and the Town contributes at the rate of 14% of employee salaries. Member contributions are 100% vested. Employer contributions vest over a period of five years. Contribution obligations and benefit provisions of the plan are established under the authority of state statute.

Following is a summary of 2015 FPPA money purchase plan contributio

Total payroll	\$ 6,273,527
Covered payroll	349,529
Contributions:	
Town	48,934
Employees	<u>27,962</u>
Total	<u>\$ 76,896</u>

Note 14 - Retirement Plans (Continued)

The Town offers its law enforcement employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Deferred Compensation Plan Trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The Town has no ownership interest in the plan nor is the Town liable for losses under the deferred compensation plan. The Town matches the employee's contributions anywhere from 1% to 9%, depending on the employee's years of service. This is a discretionary match. For the year ended December 31, 2015, the Town contributed \$19,602 on \$24,915 of employee contributions.

Note 15 – Fund Balance Classifications

General Fund

The Town's policy is to apply committed resources first when an expense is incurred for purposes for which committed, restricted, assigned, and unassigned net position are available.

The non-spendable fund balance in the General Fund consists of deposits held for construction projects and prepaid expenses.

Colorado voters passed an amendment to the State Constitution, Article X, Section 20. The amendment has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises." The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. On June 25, 1996 the Town electorate authorized the Town to collect, receive, retain and spend all Town revenues beginning in 1996, without limitations imposed by the amendment. The amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund's fund balance is classified as restricted for emergencies as required by the amendment.

The remaining fund balance in the General Fund is unassigned.

Debt Service Fund

The restricted fund balance in the Debt Service Fund is wholly restricted for debt service obligations.

Vehicle & Equipment Acquisition Fund

Town Council is authorized, by article VIII of The Town of Mountain Village Home Rule Charter to assign amounts to a specific purpose. The assigned fund balance in the Vehicle & Equipment Acquisition Fund is to be used for future vehicle or equipment acquisitions via a resolution as adopted by Town Council.

Note 15 – Fund Balance Classifications (Continued)

Special Revenue Funds

Gondola Fund – Used to account for revenues restricted for the purpose of financing, improving and operating a gondola and “Chondola” transit system for the benefit of the Telluride Mountain Village Resort Company dba Telluride Mountain Village Owners Association (TMVOA), TSG Ski & Golf Company (TSGC), the Town of Telluride, the Town of Mountain Village and San Miguel County, Colorado. The cost of operations and maintenance of the transit system is funded through contributions from TMVOA and TSGC.

Historical Museum Fund - Accounts for the proceeds of a .333 property tax mill levy as authorized by the Town’s electorate for remittance to the Telluride Historical Museum, a nonprofit entity.

Tourism Fund - Accounts for lodging taxes, restaurant taxes, and business license revenues remitted to Marketing Telluride, Inc. (MTI) to promote tourism in the Telluride and Mountain Village Communities, and the Telluride/Montrose Regional Air Organization to fund the Airline Guaranty Program.

Note 16 – Other Commitments

On January 23, 2015 the Town entered into the Land Acquisition and Conveyance Agreement with the Telluride Hospital District whereby the Town has conveyed Lot 1003R-1 to the District for its use as a site for a new regional medical center.

On January 15, 2015 The Town entered into a Contract to Buy and Sell Real Estate with a private developer who would develop a rental housing project on the property. The closing date was June 10, 2015 and the parties did not complete the transaction which has now expired.

Note 17 – Prior Year Adjustments and Accounting Changes

A prior period adjustment of \$5,958,966 and \$1,453,089 were made to decrease the beginning net position of the governmental activities and business-type activities, respectively, in accordance with the implementation of GASB 68 and GASB 71. The adjustment was made to record the beginning net pension liability and deferred outflows of resources for contributions subsequent to the measurement date.

Required Supplementary Information

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Town of Mountain Village
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 7,576,337	\$ 8,177,996	\$ 8,057,308	\$ (120,688)
Licenses & Permits	260,736	296,467	349,783	53,316
Intergovernmental	373,596	371,920	375,754	3,834
Contributions from Other Entities	266,788	42,286	39,762	(2,524)
Charges for Services	251,440	262,923	341,139	78,216
Fines & Forfeitures	6,077	6,077	7,146	1,069
Earnings on Deposits & Investments	13,770	50,000	60,650	10,650
Miscellaneous	77,877	80,442	76,066	(4,376)
Grants & Contributions	-	14,107	19,107	5,000
Total Revenues	<u>8,826,621</u>	<u>9,302,218</u>	<u>9,326,713</u>	<u>24,495</u>
Expenditures				
General Government	2,825,937	2,800,421	2,686,351	(114,070)
Public Safety	844,878	850,214	811,016	(39,198)
Roads & Bridges	1,038,197	1,020,086	843,589	(176,497)
Equipment & Property Maintenance	2,234,016	2,054,719	1,856,376	(198,343)
Culture & Recreation	478,793	457,440	398,610	(58,830)
Parking & Transportation	269,167	264,217	207,720	(56,497)
Economic Development	744,870	631,408	568,999	(62,409)
Capital Outlay	461,235	311,235	124,886	(186,349)
Total Expenditures	<u>8,897,093</u>	<u>8,389,740</u>	<u>7,497,548</u>	<u>(892,192)</u>
Excess of Revenues Over Expenditures	<u>(70,472)</u>	<u>912,478</u>	<u>1,829,165</u>	<u>916,687</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	30,034	30,034
Transfers In	749,833	729,909	974,120	244,211
Transfers Out	(1,061,670)	(1,084,639)	(959,913)	124,726
Total Other Financing Sources (Uses)	<u>(311,837)</u>	<u>(354,730)</u>	<u>44,241</u>	<u>398,971</u>
Net Change in Fund Balance	(382,309)	557,748	1,873,406	1,315,658
Fund Balance - Beginning of Year	<u>5,518,219</u>	<u>5,833,036</u>	<u>7,111,942</u>	<u>1,278,906</u>
Fund Balance - End of Year	<u>\$ 5,135,910</u>	<u>\$ 6,390,784</u>	<u>\$ 8,985,348</u>	<u>\$2,594,564</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Gondola Fund**

For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Mountain Village Owner's Association	\$ 5,701,803	\$ 3,701,890	\$ 3,557,440	\$ (144,450)
Telluride Ski and Golf Company	135,572	174,315	181,205	6,890
Other Revenues:				
Event Operating Hours Subsidies	-	-	16,663	16,663
Grant Funding	326,837	452,297	321,943	(130,354)
Miscellaneous	-	-	12,100	12,100
Operating Contributions	36,000	36,000	36,000	-
Total Revenues	<u>6,200,212</u>	<u>4,364,502</u>	<u>4,125,350</u>	<u>(239,152)</u>
Expenditures				
Gondola:				
Grant Success Fees	-	27,138	29,166	2,028
Operations	1,735,834	1,732,535	1,632,286	(100,249)
MARRS	76,966	76,965	66,092	(10,873)
Maintenance	1,216,984	1,200,677	1,194,030	(6,647)
Fixed Costs	519,372	456,707	374,806	(81,901)
Major Repairs and Maintenance	200,000	230,324	214,440	(15,884)
Capital Outlay	521,000	361,000	356,203	(4,797)
Chondola:				
Operations	1,877,056	226,156	225,093	(1,063)
Total Expenditures	<u>6,147,212</u>	<u>4,311,502</u>	<u>4,092,115</u>	<u>(219,387)</u>
Excess of Revenues Over Expenditures	<u>53,000</u>	<u>53,000</u>	<u>33,235</u>	<u>19,765</u>
Other Financing Uses				
Proceeds from Sale of Assets	-	-	10,500	10,500
Transfers To Other Funds	(53,000)	(53,000)	(43,735)	9,265
Other Financing Uses	<u>(53,000)</u>	<u>(53,000)</u>	<u>(33,235)</u>	<u>19,765</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The basis of budgeting is the same as GAAP and this schedule is presented on that basis.

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Tourism Fund**

For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales and Marketing:				
Lodging Taxes	\$ 1,066,088	\$ 1,429,238	\$ 1,502,265	\$ 73,027
Restaurant Taxes	273,200	347,037	367,006	19,969
Business License Fees	273,856	277,545	281,898	4,353
Penalties and Interest	3,000	22,422	26,448	4,026
Total Revenues	1,616,144	2,076,242	2,177,617	101,375
Expenditures				
Other Economic Development Contributions	-	26,000	8,091	(17,909)
Administrative Expense	2,500	2,500	2,500	-
Contract Sales and Marketing Services	811,138	968,366	1,008,605	40,239
Airline Guaranty	790,119	1,040,423	1,095,776	55,353
Total Expenditures	1,603,757	2,037,289	2,114,972	77,683
Revenues Over				
Expenditures Before Transfers	12,387	38,953	62,645	23,692
Transfers				
Transfer In (Out)	(12,387)	(38,953)	(62,645)	(23,692)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village
Schedule of the Town's Proportionate Share of the Net Pension Liability
Last Two Years

	<u>2014</u>	<u>2013</u>
Town of Mountain Village proportion (share) of the collective net pension liability	0.9782010094%	0.9833245881%
Town of Mountain Village share of the collective pension liability	\$ 8,767,731	\$ 8,091,985
Covered employee payroll	\$ 5,362,058	\$ 5,241,993
Town of Mountain Village proportionate share of the net pension liability as a percentage of it's covered employee payroll	163.51%	154.37%
Plan fiduciary net pension as a percentage of the total pension liability	80.72%	81.00%

The amounts presented for each fiscal year were determined as of December 31

Town of Mountain Village
Schedule of Activity - Employer Pension Contributions
Last Two Years

	December 31, 2015	December 31, 2014
Statorily Required Contributions	\$ 632,087	\$ 618,644
Contributions in Relation to the Statorily Required Contribution	632,087	618,644
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	5,360,121	5,246,099
Contributions as a percentage of Employer Covered Payroll	11.8%	11.8%

Other Supplementary Information

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Town of Mountain Village

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2015

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Capital Projects Fund		
Assets				
Cash	\$ -	\$ 47,331	\$ 155,859	\$ 203,190
Receivables:				
Notes	-	753,636	-	753,636
Taxes	93,883	-	-	93,883
Grants	-	-	120,522	120,522
Total Assets	<u>93,883</u>	<u>800,966</u>	<u>276,381</u>	<u>1,171,231</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	(16)	15,301	151,095	166,380
Due to Pooled Cash	722	-	-	722
Unearned Revenue	-	753,636	-	753,636
Total Liabilities	<u>706</u>	<u>768,936</u>	<u>151,095</u>	<u>920,738</u>
Deferred Inflows of Resources, Property Tax	<u>93,177</u>	<u>-</u>	<u>-</u>	<u>93,177</u>
Fund Balances:				
Assigned	<u>-</u>	<u>32,030</u>	<u>125,286</u>	<u>157,316</u>
Total Fund Balance	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 125,286</u>	<u>\$ 157,316</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance - Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2015**

	<u>Special Revenue Fund</u>		Vehicle and Equipment Acquisition Fund	Total
	Historical Museum	Capital Projects Fund		
Revenues				
Taxes	\$ 88,618	\$ -	\$ -	\$ 88,618
Grant Revenues	-	-	221,784	221,784
Total Revenues	<u>88,618</u>	<u>-</u>	<u>221,784</u>	<u>310,402</u>
Expenditures				
Culture and Recreation	86,842	-	-	86,842
Vehicles and Equipment	-	-	439,711	439,711
Capital Outlay	-	453,202	-	453,202
Administrative Costs	1,776	-	-	1,776
Total Expenditures	<u>88,618</u>	<u>453,202</u>	<u>439,711</u>	<u>981,531</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(453,202)</u>	<u>(217,927)</u>	<u>(671,129)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	453,202	283,305	736,507
Total Other Financing Sources (Uses)	<u>-</u>	<u>453,202</u>	<u>283,305</u>	<u>736,507</u>
Net Change in Fund Balance	-	-	65,378	65,378
Fund Balance, Beginning of Year	<u>-</u>	<u>32,030</u>	<u>59,908</u>	<u>91,938</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 32,030</u>	<u>\$ 125,286</u>	<u>\$ 157,316</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - Special Revenue Fund -
Historical Museum Fund**
For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 88,714	\$ 88,714	\$ 88,618	\$ (96)
Expenditures				
Administrative Costs	1,774	1,774	1,776	2
Culture and Recreation	86,940	86,940	86,842	(98)
Total Expenditures	88,714	88,714	88,618	(96)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Vehicle and Equipment Acquisition Fund
For the Fiscal Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 194,557	\$ 250,557	\$ 221,784	\$ (28,773)
Total Revenues	<u>194,557</u>	<u>250,557</u>	<u>221,784</u>	<u>(28,773)</u>
Expenditures				
Vehicles and Equipment	465,373	483,733	439,711	(44,022)
Total Expenditures	<u>465,373</u>	<u>483,733</u>	<u>439,711</u>	<u>(44,022)</u>
Revenue Under Expenditures Before Transfers and Other Financing Sources	(270,816)	(233,176)	(217,927)	15,249
Other Financing Sources				
Proceeds from Sale of Assets	-	-	-	-
Transfers In	352,061	283,586	283,305	(281)
Total Other Financing Sources (Uses)	<u>352,061</u>	<u>283,586</u>	<u>283,305</u>	<u>(281)</u>
Net Change in Fund Balance	81,245	50,410	65,378	14,968
Fund Balance, Beginning of Year	<u>70,394</u>	<u>59,908</u>	<u>59,908</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 151,639</u>	<u>\$ 110,318</u>	<u>\$ 125,286</u>	<u>\$ 14,968</u>

See the accompanying independent auditors report.

Town of Mountain Village
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$3,557,808	\$3,557,808	\$3,622,577	\$ 64,769
Contributions from Other Entities	206,215	206,240	206,275	35
Interest Income	6,010	1,645	1,561	(84)
Miscellaneous Income	-	-	-	-
Total Revenues	<u>3,770,033</u>	<u>3,765,693</u>	<u>3,830,413</u>	<u>64,720</u>
Expenditures				
Debt Service:				
Administrative Charges	119,228	119,228	116,754	(2,474)
Principal	2,800,000	2,815,000	2,815,000	-
Interest	769,391	756,186	756,186	-
Total Expenditures	<u>3,688,619</u>	<u>3,690,414</u>	<u>3,687,940</u>	<u>(2,474)</u>
Income (Loss) Before Transfers	<u>81,414</u>	<u>75,279</u>	<u>142,473</u>	<u>67,194</u>
Other Financing Uses				
Principal Proceeds from Bond Issuance	-	-	-	-
Premium Proceeds from Bond Issuance	-	-	-	-
Payment to Refunding Bonds Escrow	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(81,251)	(81,272)	(149,178)	(67,906)
Total Other Financing Uses	<u>(81,251)</u>	<u>(81,272)</u>	<u>(149,178)</u>	<u>(67,906)</u>
Net Change in Fund Balances	163	(5,993)	(6,705)	(712)
Fund Balance - Beginning of Year	<u>734,450</u>	<u>734,450</u>	<u>750,646</u>	<u>16,196</u>
Fund Balance - End of Year	<u>\$ 734,613</u>	<u>\$ 728,457</u>	<u>\$ 743,941</u>	<u>\$ 15,484</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Capital Projects Fund**
For the Fiscal Year ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grant Revenues	\$ 53,872	\$ 53,872	\$ -	\$ (53,872)
Interest Income	9,950	9,950	-	(9,950)
Total Revenues	<u>63,822</u>	<u>63,822</u>		<u>(63,822)</u>
Expenditures				
Capital Outlay	<u>492,302</u>	<u>492,302</u>	<u>453,202</u>	<u>(39,100)</u>
Income (Loss) Before Other Financing Sources and Uses	(428,480)	(428,480)	(453,202)	(24,722)
Other Financing Sources and Uses				
Transfer In (Out)	<u>438,430</u>	<u>438,430</u>	<u>453,202</u>	<u>14,772</u>
Net Change in Fund Balance	9,950	9,950	-	(9,950)
Fund Balance, Beginning of Year	<u>32,030</u>	<u>32,030</u>	<u>32,030</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 41,980</u>	<u>\$ 41,980</u>	<u>\$ 32,030</u>	<u>\$ (9,950)</u>

See the accompanying independent auditors report.

Town of Mountain Village

Combining Schedule of Net Position -
Housing Authority Enterprise Fund
December 31, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 1,252,399	\$ 120,133	\$ 52,930	\$ 1,425,463
Investments	201,653	-	-	201,653
Accounts Receivable	(24,434)	-	-	(24,434)
Due from Other Funds	163,663	-	-	163,663
Total Current Assets	1,593,282	120,133	52,930	1,766,345
Non Current Assets				
Restricted Investments	450,085	400,075	-	850,160
Notes Receivable	-	-	164,000	164,000
Development Property Held for Sale				
Buildings and Improvements	-	278,268	-	278,268
Capital Assets				
Land	366,782	-	-	366,782
Buildings and Improvements	17,538,393	-	-	17,538,393
Vehicles and Equipment	199,475	-	-	199,475
Less Accumulated Depreciation	(7,873,224)	-	-	(7,873,224)
Total Noncurrent Assets	10,681,510	678,343	164,000	11,523,853
Total Assets	12,274,792	798,476	216,930	13,290,198
Deferred Outflow of Resources - Related to Pensions	52,188	-	-	52,188
Deferred Outflow of Resources - Deferred Loss on Refunding	12,413	-	-	12,413
Deferred Outflow of Resources	64,601	-	-	64,601
Liabilities				
Current Liabilities				
Accounts Payable	48,324	79	-	48,403
Accrued Expenses	4,176	-	-	4,176
Due to Other Funds	157,196	-	-	157,196
Deposits	259,007	-	-	259,007
Unearned Revenue	17,052	-	-	17,052
Current Portion of Notes and Bond Payable	367,621	-	-	367,621
Total Current Liabilities	853,376	79	-	853,455
Noncurrent Liabilities				
Net Pension Liability	377,423	-	-	377,423
Notes Payable	292,600	-	-	292,600
Revenue Bonds Payable	12,340,000	-	-	12,340,000
Total Liabilities	13,863,399	79	-	13,863,478
Deferred Inflow of Resources - Related to Pensions	1,195	-	-	1,195
Net Position				
Net Investment in Capital Assets	(2,704,195)	-	-	(2,704,195)
Restricted for Debt Service	450,085	400,075	-	850,160
Unrestricted	728,908	398,322	216,930	1,344,161
Total Net Position	\$ (1,525,202)	\$ 798,397	\$ 216,930	\$ (509,874)

See the accompanying independent auditors' report.

Town of Mountain Village

**Combining Schedule of Revenues, Expenses, and Changes in Net Position -
Housing Authority Enterprise Fund**
For the Fiscal Year ended December 31, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Operating Revenues				
Rental Income	\$ 2,264,605	\$ 12,579	\$ -	\$ 2,277,184
Other	72,856	-	-	72,856
Total Operating Revenues	<u>2,337,461</u>	<u>12,579</u>	<u>-</u>	<u>2,350,040</u>
Operating Expenses				
Office Operations	204,744	-	-	204,744
General and Administrative	111,240	-	-	111,240
Utilities	348,609	-	-	348,609
Repair and Maintenance	365,407	103,409	-	468,817
Depreciation and Amortization	600,675	-	-	600,675
Total Operating Expenses	<u>1,630,675</u>	<u>103,409</u>	<u>-</u>	<u>1,734,085</u>
Operating Income (Loss)	<u>706,786</u>	<u>(90,831)</u>	<u>-</u>	<u>615,955</u>
Nonoperating Revenue (Expense)				
Interest Income	72	-	-	72
Major Repairs and Replacements	(90,721)	-	-	(90,721)
Interest Expense	(480,291)	-	-	(480,291)
Loan Fees	(4,500)	-	-	(4,500)
Total Nonoperating Revenues (Expenses)	<u>(575,440)</u>	<u>-</u>	<u>-</u>	<u>(575,440)</u>
Income (Loss) Before Transfers	<u>131,347</u>	<u>(90,831)</u>	<u>-</u>	<u>40,516</u>
Transfers In	-	423,604	30,000	453,604
Transfers Out	(105,444)	(483,202)	-	(588,646)
Total Transfers In (Out)	<u>(105,444)</u>	<u>(59,599)</u>	<u>30,000</u>	<u>(135,043)</u>
Capital Grant and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	25,903	(150,429)	30,000	(94,527)
Net Position, Beginning of Year	(1,237,670)	948,827	186,930	(101,913)
Prior Period Adjustment - Change in Accounting Principle	(313,435)	-	-	(313,435)
Net Position, Beginning of Year as Re-stated	<u>(1,551,105)</u>	<u>948,827</u>	<u>186,930</u>	<u>(415,348)</u>
Net Position, End of Year	<u>\$ (1,525,202)</u>	<u>\$ 798,398</u>	<u>\$ 216,930</u>	<u>\$ (509,875)</u>

See the accompanying independent auditors' report.

Town of Mountain Village

Combining Schedule of Cash Flows -
Housing Authority Enterprise Fund
For the Fiscal Year ended December 31, 2015

	Village Court Apartments	Affordable Housing Development	Mortgage Assistance Pool	Total
Cash Flows from Operating Activities				
Receipts from Renters	\$ 2,278,221	\$ 12,579	\$ -	\$ 2,290,800
Payments to Suppliers	(743,151)	(103,477)	-	(846,629)
Payments to Employees	(267,293)	-	-	(267,293)
Other Receipts	72,856	-	-	72,856
Net Cash Provided by (Used in) Operating Activities	<u>1,340,633</u>	<u>(90,899)</u>	<u>-</u>	<u>1,249,734</u>
Cash Flows from Non-capital Financing Activities				
Transfers to Other Funds	(110,197)	(483,202)	-	(593,399)
Transfers from Other Funds	-	423,604	-	423,604
Net Cash Provided by Noncapital Financing Activities	<u>(110,197)</u>	<u>(59,599)</u>	<u>-</u>	<u>(169,795)</u>
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(356,834)	-	-	(356,834)
Interest Expense	(430,640)	-	-	(430,640)
Major Repairs and Replacements	(90,721)	-	-	(90,721)
Purchase of Capital Assets	-	-	-	-
Loan Fees	(4,500)	-	-	(4,500)
Net Cash Used in Capital and Related Financing Activities	<u>(882,695)</u>	<u>-</u>	<u>-</u>	<u>(882,695)</u>
Cash Flows from Investing Activities				
Proceeds from Sale of Investments	498,500	-	-	498,500
Interest Received	72	-	-	72
Net Cash Used in Investing Activities	<u>498,572</u>	<u>-</u>	<u>-</u>	<u>498,572</u>
Net Increase (Decrease) in Cash and Cash Equivalents	846,314	(150,497)	-	695,817
Cash, Beginning of Year	<u>406,085</u>	<u>270,631</u>	<u>52,930</u>	<u>729,646</u>
Cash, End of Year	<u>\$ 1,252,399</u>	<u>\$ 120,134</u>	<u>\$ 52,930</u>	<u>\$ 1,425,463</u>
Reconciliation of Operating Income				
(Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 706,786	\$ (90,831)	\$ -	\$ 615,955
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation and Amortization	600,675	-	-	600,675
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	17,978	-	-	17,978
Increase (Decrease) in Net Pension Liability	12,995	-	-	12,995
(Increase) Decrease in Prepaid Items	-	-	-	-
Increase (Decrease) in Accounts Payable	13,823	(4)	-	13,819
Increase (Decrease) in Accrued Expenses	(7,262)	(64)	-	(7,326)
Increase (Decrease) in Unearned Revenues	(3,649)	-	-	(3,649)
Increase (Decrease) in Deposits	(713)	-	-	(713)
Total Adjustments	<u>633,847</u>	<u>(68)</u>	<u>-</u>	<u>633,779</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,340,633</u>	<u>\$ (90,899)</u>	<u>\$ -</u>	<u>\$ 1,249,734</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Village Court Apartments**
For the Fiscal Year ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Rental Income	\$ 2,225,944	\$ 2,225,944	\$ 2,264,605	\$ 38,661
Other	89,225	89,225	72,856	(16,369)
Total Operating Income	<u>2,315,169</u>	<u>2,315,169</u>	<u>2,337,461</u>	<u>22,292</u>
Operating Expenditures				
Office Operations	197,348	187,601	204,744	17,143
General and Administrative	144,276	111,166	111,240	74
Utilities	423,524	393,523	348,609	(44,914)
Repairs and Maintenance	374,355	374,300	365,407	(8,893)
Contingency	13,575	11,903	-	(11,903)
Total Operating Expenditures	<u>1,153,079</u>	<u>1,078,493</u>	<u>1,030,000</u>	<u>(48,493)</u>
Excess of Operating Revenues Over Operating Expenditures	<u>1,162,089</u>	<u>1,236,676</u>	<u>1,307,461</u>	<u>70,785</u>
Nonoperating Revenues (Expenditures)				
Interest Revenue	1,500	1,500	72	(1,428)
Interest Expense	(430,640)	(396,611)	(480,291)	(83,680)
Loan Fees	-	-	(4,500)	(4,500)
Major Repairs and Replacements	(218,021)	(123,702)	(90,721)	32,981
Capital Outlay	-	-	-	-
Debt Principal Payments	(356,834)	(390,863)	(356,834)	34,029
Total Nonoperating Revenues (Expenditures)	<u>(1,003,995)</u>	<u>(909,676)</u>	<u>(932,274)</u>	<u>(22,598)</u>
Transfers Out	(113,084)	(105,444)	(105,444)	-
Transfers In	-	-	-	-
Total Operating Transfers	<u>(113,084)</u>	<u>(105,444)</u>	<u>(105,444)</u>	<u>-</u>
Net Change in Working Capital	45,010	221,556	269,744	48,188
Working Capital, Beginning of Year	<u>59,130</u>	<u>75,353</u>	<u>21,194</u>	<u>(54,159)</u>
Working Capital, End of Year	<u>\$ 104,140</u>	<u>\$ 296,909</u>	290,938	<u>\$ (5,971)</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(313,435)	
Depreciation and Amortization			(600,675)	
Debt Principal			356,834	
Capital Outlay			-	
Carryover from Prior Years			<u>(1,258,864)</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (1,525,202)</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Affordable Housing Development Fund
For the Fiscal Year ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sale/Rental Proceeds	\$ 12,778	\$ 12,778	\$ 12,579	\$ (200)
Expenditures				
Operating Expenditures	87,138	109,638	103,409	(6,229)
Total Expenditures	87,138	109,638	103,409	(6,229)
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(74,360)	(96,860)	(90,831)	6,029
Transfers				
Transfers In	339,889	406,750	423,604	16,854
Transfer Out	(468,430)	(468,430)	(483,202)	(14,772)
Total Transfers In (Out)	(128,541)	(61,680)	(59,599)	2,081
Net Change in Working Capital	(202,901)	(158,540)	(150,429)	8,111
Working Capital, Beginning of Year	(293,812)	120,447	(1,397,906)	(1,518,353)
Working Capital, End of Year	<u>\$ (496,713)</u>	<u>\$ (38,093)</u>	(1,548,335)	<u>\$ (1,510,242)</u>
Add (Deduct):				
Carryover from Prior Years			2,346,733	
Net Position, End of Year, GAAP Basis			<u>\$ 798,398</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Mortgage Assistance Pool**
For the Fiscal Year ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Mortgage Assistance	30,000	30,000	30,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers	(30,000)	(30,000)	(30,000)	-
Transfers				
Transfers In	30,000	30,000	30,000	-
Net Change in Working Capital	-	-	-	-
Working Capital, Beginning of Year	-	-	5,572	5,572
Working Capital, End of Year	<u>\$ -</u>	<u>\$ -</u>	5,572	<u>\$ 5,572</u>
Add (Deduct):				
Notes Receivable			30,000	
Carryover from Prior Years			<u>181,358</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 216,930</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Water and Sewer Fund**
For the Fiscal Year ended December 31, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Operating Revenues				
Charges for Services	\$ 2,252,992	\$ 2,280,992	\$ 2,439,540	\$ 158,548
Operating Expenditures				
Operating Costs	1,602,375	1,535,479	1,414,788	(120,691)
Excess of Operating Revenues Over Operating Expenditures	650,617	745,513	1,024,752	279,239
Nonoperating Revenues (Expenditures)				
Capital Outlay	(2,824,383)	(2,373,738)	(1,756,814)	616,924
Grants and Contributions	40,075	132,572	173,002	40,430
Total Nonoperating Revenues (Expenditures)	(2,784,308)	(2,241,166)	(1,583,812)	657,354
Transfers Out	(122,143)	(127,164)	(127,164)	-
Net Change in Working Capital	(2,255,834)	(1,622,817)	(686,224)	936,593
Working Capital, Beginning of Year	1,819,696	1,224,553	2,689,101	1,464,548
Working Capital, End of Year	\$ (436,138)	\$ (398,264)	2,002,877	\$ 2,401,141
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(455,324)	
Depreciation			(627,070)	
Capital Outlay			1,756,814	
Carryover from Prior Years			9,184,859	
Net Position, End of Year, GAAP Basis			\$ 11,862,156	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Telluride Conference Center**
For the Fiscal Year ended December 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues				
Operating Contributions	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Operating Expenditures				
Operating Costs	147,729	183,335	193,103	9,768
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	(147,729)	(183,335)	(193,103)	(9,768)
Nonoperating Expenditures				
Capital Outlay	(20,000)	(20,000)	-	20,000
Non-Operating Revenues (Expenses)	(20,000)	(20,000)	-	20,000
Transfers				
Transfers In	167,729	203,335	193,103	(10,232)
Total Operating Transfers	167,729	203,335	193,103	(10,232)
Working Capital, Beginning of Year	1,318	1,318	1,318	-
Working Capital, End of Year End of Year	<u>\$ 1,318</u>	<u>\$ 1,318</u>	1,318	<u>\$ -</u>
Add (Deduct):				
Depreciation			(302,037)	
Capital Outlay			-	
Carryover from Prior Years			<u>4,170,313</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 3,869,594</u>	

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Broadband Enterprise Fund**
For the Fiscal Year ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Sales and Services	\$ 1,686,595	\$ 1,720,467	\$ 1,717,541	\$ (2,926)
Total Revenues	<u>1,686,595</u>	<u>1,720,467</u>	<u>1,717,541</u>	<u>(2,926)</u>
Operating Expenditures				
Cost of Sales and Services	1,327,099	1,346,136	1,384,582	(38,446)
Contingency	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
Total Expenditures	<u>1,330,099</u>	<u>1,349,136</u>	<u>1,384,582</u>	<u>(35,446)</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenditures	<u>356,497</u>	<u>371,331</u>	<u>332,959</u>	<u>(38,372)</u>
Nonoperating Expenditures				
Capital Outlay	<u>(67,500)</u>	<u>(127,500)</u>	<u>(125,976)</u>	<u>1,524</u>
Total Non-Operating Expenditures	<u>(67,500)</u>	<u>(127,500)</u>	<u>(125,976)</u>	<u>1,524</u>
Transfers				
Transfers Out	<u>(338,997)</u>	<u>(293,831)</u>	<u>(264,162)</u>	<u>29,669</u>
Net Change in Working Capital	(50,000)	(50,000)	(57,179)	(7,179)
Working Capital, Beginning of Year	<u>191,092</u>	<u>141,042</u>	<u>141,042</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 141,092</u>	<u>\$ 91,042</u>	83,863	<u>\$ (7,179)</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(293,184)	
Capital Outlay			125,976	
Depreciation			(156,692)	
Carryover from Prior Years			<u>668,335</u>	
Net Position, End of Year, GAAP Basis			<u>\$ 428,298</u>	

See the accompanying independent auditor's report.

Town of Mountain Village
Combining Statement of Net Position -
Nonmajor Enterprise Funds
December 31, 2015

	Child		
	Development	Parking Services	Total
Current Assets			
Cash	\$ 100	\$ 100	\$ 200
Accounts Receivable	19,227	42,600	61,827
Accrued Revenues	-	1,845	1,845
Total Current Assets	<u>19,327</u>	<u>44,545</u>	<u>63,872</u>
Capital Assets			
Buildings and Improvements	199,368	-	199,368
Vehicles and Equipment	27,650	-	27,650
Regional Communications System	-	-	-
Less Accumulated Depreciation	(141,490)	-	(141,490)
Total Capital Assets	<u>85,528</u>	<u>-</u>	<u>85,528</u>
Total Assets	<u>104,855</u>	<u>44,545</u>	<u>149,400</u>
Deferred Outflow of Resources - Related to Pensions	<u>61,797</u>	<u>-</u>	<u>61,797</u>
Current Liabilities			
Accounts Payable	3,413	9,048	12,461
Due to Pooled Cash	1,113	34,115	35,228
Accrued Expenses	5,181	1,381	6,562
Unearned Revenue	9,620	-	9,620
Total Current Liabilities	<u>19,327</u>	<u>44,545</u>	<u>63,872</u>
Noncurrent Liabilities			
Net Pension Liability	<u>464,759</u>	<u>-</u>	<u>464,759</u>
Total Liabilities	<u>484,086</u>	<u>44,545</u>	<u>528,631</u>
Deferred Inflow of Resources - Related to Pensions	<u>1,376</u>	<u>-</u>	<u>1,376</u>
Net Position			
Net Investment in Capital Assets	85,528	-	85,528
Unrestricted	(404,338)	-	(404,338)
Total Net Position	<u>\$ (318,809)</u>	<u>\$ -</u>	<u>\$ (318,809)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Combining Statement of Revenues, Expenses, and Changes
in Net Position - Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2015**

	Child Development	Parking Services	Total
Operating Revenues			
Charges for Sales and Services	\$ 441,422	\$ 494,359	\$ 935,781
Operating Grants and Contributions	38,499	7,732	46,231
Total Operating Revenues	<u>479,921</u>	<u>502,091</u>	<u>982,012</u>
Operating Expenses			
Cost of Sales and Services	553,015	280,298	833,312
Depreciation Expense	19,473	-	19,473
Total Operating Expenses	<u>572,488</u>	<u>280,298</u>	<u>852,786</u>
Operating Gain (Loss)	<u>(92,567)</u>	<u>221,793</u>	<u>129,226</u>
Non-operating Revenues (Expenses)			
Grant Proceeds	-	-	-
Pension Expense	-	-	-
Total Non-Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Profit/Loss Before Capital Contributions and Transfers	(92,567)	221,793	129,226
Transfers			
Transfers In	59,902	-	59,902
Transfers Out	-	(221,793)	(221,793)
Total Operating Transfers	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Changes in Net Position	(32,665)	-	(32,665)
Net Position, Beginning of Year	105,002	-	105,002
Prior Period Adjustment - Change in Accounting Principle	(391,146)	-	(391,146)
Net Position, Beginning of Year as Re-stated	<u>(286,144)</u>	<u>-</u>	<u>(286,144)</u>
Net Position, End of Year	<u>\$ (318,809)</u>	<u>\$ -</u>	<u>\$ (318,809)</u>

See the accompanying independent auditor's report.

Town of Mountain Village

Combining Statement of Cash Flows -
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2015

	Child		
	Development	Parking Services	Total
Cash Flows From Operating Activities:			
Operating Contributions	\$ 38,499	\$ 7,732	\$ 46,231
Cash Receipts	441,017	482,960	923,977
Payments to Suppliers	(231,587)	(191,808)	(423,395)
Payments to Employees	(312,826)	(77,290)	(390,116)
Net Cash Used in Operating Activities	<u>(64,897)</u>	<u>221,593</u>	<u>156,696</u>
Cash Flows from Non-capital Financing Activities:			
Transfers (to)/from Other Funds	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Net Cash Provided by Noncapital Financing Activities	<u>59,902</u>	<u>(221,793)</u>	<u>(161,891)</u>
Cash Flows from Capital and Related Activities			
Purchase of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used in Capital and Related Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,995)	(200)	(5,195)
Cash and Cash Equivalents, Beginning of Year	<u>5,095</u>	<u>301</u>	<u>5,396</u>
End of Year	<u>\$ 100</u>	<u>\$ 101</u>	<u>\$ 201</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities			
Operating Gain (Loss)	(92,567)	221,793	129,226
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	19,473	-	19,473
(Increase) Decrease in Accounts Receivable	(3,821)	(11,896)	(15,717)
(Increase) Decrease in Prepaid Items	-	-	-
Increase (Decrease) in Unearned Revenues	3,416	-	3,416
Increase (Decrease) in Net Pension Liability	13,192	-	13,192
Increase (Decrease) in Accrued Revenues	-	497	497
Increase (Decrease) in Accounts Payable and Accrued Expenses	(4,590)	11,199	6,609
Net Cash Used in Operating Activities	<u>\$ (64,897)</u>	<u>\$ 221,593</u>	<u>\$ 156,696</u>

See the accompanying independent auditor's report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Parking Services Fund**
For the Fiscal Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions:				
Contributions/Shared Expense from Other Entities	\$ 18,500	\$ 18,500	\$ 7,732	\$ (10,768)
Other Revenues:				
Parking Permits	12,000	12,000	16,995	4,995
Parking Fines	13,000	13,000	52,769	39,769
Parking Revenues	273,950	273,950	424,595	150,645
Total Revenues	<u>317,450</u>	<u>317,450</u>	<u>502,091</u>	<u>184,641</u>
Expenditures				
Parking Services	159,472	150,673	118,521	(32,152)
Gondola Parking Garage	64,405	57,225	37,424	(19,801)
Surface Lots	29,260	31,260	21,344	(9,916)
Heritage Parking Garage	93,325	101,325	102,009	684
Meadows Parking	-	-	1,000	1,000
Total Expenditures	<u>346,462</u>	<u>340,483</u>	<u>280,298</u>	<u>(60,185)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,012)</u>	<u>(23,033)</u>	<u>221,793</u>	<u>244,826</u>
Nonoperating (Expenditures) Revenues				
Capital Outlay	(22,800)	(22,800)	-	22,800
Transfers from Other Funds	80,783	76,118	-	(76,118)
Transfers to Other Funds	(28,971)	(30,285)	(221,793)	(191,508)
Other Financing Sources (Uses), Net	<u>29,012</u>	<u>23,033</u>	<u>(221,793)</u>	<u>(244,826)</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors report.

Town of Mountain Village

**Schedule of Revenues, Expenditures, and Changes in
Working Capital - Budget and Actual (Budgetary Basis) -
Child Development Enterprise Fund
For the Fiscal Year ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for Services	\$ 443,543	\$ 433,456	\$ 441,422	\$ 7,966
Grant Proceeds	40,000	42,000	38,499	(3,501)
Total Revenues	<u>483,543</u>	<u>475,456</u>	<u>479,921</u>	<u>4,465</u>
Operating Expenditures				
Operating Costs	<u>604,750</u>	<u>590,306</u>	<u>553,015</u>	<u>(37,291)</u>
Deficiency of Operating Revenues Under Operating Expenditures	(121,208)	(114,850)	(73,094)	41,756
Nonoperating (Expenditures) Revenues				
Capital Outlay	-	-	-	-
Nonoperating (Expenditures) Revenues, Net	-	-	-	-
Transfers In	<u>121,208</u>	<u>114,850</u>	<u>59,902</u>	<u>(54,948)</u>
Net Change in Working Capital	-	-	(13,192)	(13,192)
Working Capital, Beginning of Year	<u>4,692</u>	<u>4,692</u>	<u>4,692</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 4,692</u>	<u>\$ 4,692</u>	(8,500)	<u>\$ -</u>
Add (Deduct):				
Prior Period Adjustment - Change in Accounting Principle			(391,146)	
Depreciation			(19,473)	
Carryover from Prior Years			<u>100,310</u>	
Net Position, End of Year, GAAP Basis			<u>\$ (318,810)</u>	

See the accompanying independent auditor's report.

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The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Mountain Village
		YEAR ENDING : December 2015
This Information From The Records Of Town of Mountain Village	Prepared By: Phone: (970)369-6448	Julie Vergari

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	-
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	692,256
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	-
2. General fund appropriations	460,110	b. Snow and ice removal	151,334
3. Other local imposts (from page 2)	318,755	c. Other	-
4. Miscellaneous local receipts (from page 2)	-	d. Total (a. through c.)	151,334
5. Transfers from toll facilities	-	4. General administration & miscellaneous	-
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	-
a. Bonds - Original Issues	-	6. Total (1 through 5)	843,589
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	-
7. Total (1 through 6)	778,865	b. Redemption	-
B. Private Contributions	-	c. Total (a. + b.)	-
C. Receipts from State government (from page 2)	64,724	2. Notes:	
D. Receipts from Federal Government (from page 2)	-	a. Interest	-
E. Total receipts (A.7 + B + C + D)	843,589	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	-
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	843,589

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	-	-	-	-
1. Bonds (Refunding Portion)				
B. Notes (Total)	-	-	-	-

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	-	843,589	843,589	-	-

Notes and Comments:

See the accompanying independent auditor's report.

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2015	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	252,776	a. Interest on investments	-
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	-	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	65,979	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	-
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	-	g. Other Misc. Receipts	-
6. Total (1. through 5.)	65,979	h. Other	-
c. Total (a. + b.)	318,755	i. Total (a. through h.)	-
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	59,105	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	-
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	5,619	d. Federal Transit Admin	-
d. Other (Specify) - DOLA Grant	-	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal	-
f. Total (a. through e.)	5,619	g. Total (a. through f.)	-
4. Total (1. + 2. + 3.f)	64,724	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	-	-
b. Engineering Costs	-	-	-
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	-	-
(4). System Enhancement & Operation	-	-	-
(5). Total Construction (1) + (2) + (3) + (4)	-	-	-
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	-	-
			(Carry forward to page 1)
Notes and Comments:			

See the accompanying independent auditor's report.

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TOWN OF MOUNTAIN VILLAGE

Statistical Section

December 31, 2015

This part of Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

- A-1 Net Position by Component
- A-2 Changes in Net Position
- A-3 Program Revenues by Function/Program
- A-4 Fund Balances, Governmental Funds
- A-5 Changes in Fund Balances, Governmental Funds
- A-6 Tax Revenues by Source, Governmental Funds
- A-7 User Fee Revenues, Enterprise Funds
- A-8 Enterprise Fund Expenses

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

- B-1 Actual Value and Estimated Assessed Value of Taxable Property
- B-2 Direct and Overlapping Property Tax Rates
- B-3 Principal Property Taxpayers
- B-4 Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

- C-1 Ratios of Outstanding Debt by Type
- C-2 Direct and Overlapping Bond Debt
- C-3 Pledged-Revenue Coverage
- C-4 Legal Debt Margin Information

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

- D-1 Demographic and Economic Statistics
- D-2 Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

- E-1 Full-Time Equivalent Town Employees by Function/Program
- E-2 Operating Indicators by Function/Program
- E-3 Capital Asset Statistics by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The Town implemented GASB 34 in 2004; schedules presenting government-wide information include information beginning in that year.

TOWN OF MOUNTAIN VILLAGE
Net Position by Component
Last Ten Years

TABLE A-1

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 30,763,276	\$ 29,055,499	\$ 27,532,327	26,700,785	26,241,771	\$ 26,634,411	\$ 25,897,608	\$ 11,359,109	\$ 9,108,621	\$ 1,959,065
Restricted for:										
Debt Service	743,941	750,647	734,651	1,033,003	1,056,461	1,023,210	1,293,186	1,097,281	1,107,026	-
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Unrestricted	2,878,480	7,047,403	6,046,962	3,160,555	2,819,313	1,115,565	2,002,857	17,238,544	19,825,893	1,502,124
Total Net Position	<u>34,936,921</u>	<u>37,389,639</u>	<u>34,846,083</u>	<u>31,395,960</u>	<u>30,619,811</u>	<u>29,295,936</u>	<u>29,522,956</u>	<u>30,232,674</u>	<u>30,579,280</u>	<u>3,708,989</u>
Business-type Activities:										
Net Investment in Capital Assets	12,230,261	11,694,046	13,318,565	13,681,119	15,789,269	19,000,536	22,002,632	21,023,208	23,291,366	2,414,872
Restricted for:										
Capital Projects	-	-	-	-	-	-	295,466	974,936	-	-
Debt Service	850,160	850,023	450,000	450,077	450,062	453,806	449,231	-	450,958	449,057
Unrestricted	2,250,944	4,313,988	3,377,277	3,606,621	2,679,130	2,108,087	(498,199)	1,969,932	1,393,073	2,171,435
Total Net Position	<u>15,331,365</u>	<u>16,858,058</u>	<u>17,145,842</u>	<u>17,737,817</u>	<u>18,918,460</u>	<u>21,562,429</u>	<u>22,249,130</u>	<u>23,968,076</u>	<u>25,135,397</u>	<u>5,035,364</u>
Primary Government:										
Net Investment in Capital Assets	42,993,537	40,749,545	40,850,892	40,381,904	42,031,039	45,634,947	47,900,240	32,382,317	32,399,987	4,373,937
Restricted for:										
Debt Service	1,594,102	1,600,670	1,184,651	1,483,080	1,506,523	1,477,016	1,742,417	1,097,281	1,557,984	449,057
Capital Projects	-	-	-	-	-	-	295,466	974,936	-	-
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Unrestricted	5,129,424	11,361,392	9,424,239	6,767,176	5,498,443	3,223,652	1,504,658	19,208,476	21,218,966	3,673,559
Total Net Position	<u>50,268,285</u>	<u>54,247,697</u>	<u>\$ 51,991,925</u>	<u>\$ 49,133,777</u>	<u>\$ 49,538,271</u>	<u>\$ 50,858,365</u>	<u>\$ 51,772,086</u>	<u>\$ 54,200,750</u>	<u>\$ 55,714,677</u>	<u>\$ 8,744,353</u>

TOWN OF MOUNTAIN VILLAGE
Changes in Net Position
Last Ten Years

TABLE A-2

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Primary Government:										
Program Expenses:										
Governmental Activities:										
General Government	\$ 12,733,573	\$ 12,114,348	\$ 12,816,565	\$ 13,393,334	\$ 13,532,429	\$ 12,544,856	\$ 15,695,455	\$ 19,096,466	\$ 16,369,922	\$ 1,661,676
Public Safety	899,441	926,589	1,211,029	930,812	941,734	956,624	1,002,641	991,345	859,608	1,020,769
Culture and Recreation	485,452	487,552	430,976	623,271	673,324	685,898	491,755	349,280	800,525	94,912
Economic Development	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,173,179	1,072,877	961,059	1,153,452	1,212,690
Intergovernmental	-	-	-	-	-	-	-	441,801	-	2,576,666
Total Governmental Activities Expenses	<u>16,799,937</u>	<u>15,877,325</u>	<u>16,678,773</u>	<u>16,380,641</u>	<u>16,455,020</u>	<u>15,360,557</u>	<u>18,262,728</u>	<u>21,839,951</u>	<u>19,183,507</u>	<u>6,566,713</u>
Business-type Activities:										
Housing Authority	2,309,596	2,536,978	2,347,284	2,526,775	4,893,022	2,311,278	4,004,065	2,983,112	2,445,802	1,879,034
Water & Sewer	2,041,858	2,059,875	2,013,911	1,989,756	2,048,121	1,860,514	1,730,240	1,798,936	1,544,351	-
Telluride Conference Center	495,140	416,111	416,067	449,473	442,267	539,740	1,042,216	1,149,843	1,277,256	-
Daycare Program	572,489	567,180	563,955	574,001	569,756	582,369	433,154	371,074	312,071	261,337
Parking Services	280,298	328,928	288,821	259,665	354,796	307,891	-	-	-	-
Cable TV	1,541,273	1,393,850	1,361,458	1,317,112	1,324,139	1,447,972	1,155,889	1,130,893	1,065,175	-
Regional Communication System	-	-	193,646	210,346	216,768	273,699	202,597	220,961	230,840	209,797
Total Business-type Activities Expenses	<u>7,240,654</u>	<u>7,302,922</u>	<u>7,185,143</u>	<u>7,327,128</u>	<u>9,848,870</u>	<u>7,323,463</u>	<u>8,568,162</u>	<u>7,654,818</u>	<u>6,875,495</u>	<u>2,350,168</u>
Total Primary Government Expenses	<u>24,040,591</u>	<u>23,180,248</u>	<u>23,863,916</u>	<u>23,707,769</u>	<u>26,303,890</u>	<u>22,684,020</u>	<u>26,830,890</u>	<u>29,494,769</u>	<u>26,059,002</u>	<u>8,916,881</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	463,438	332,853	598,790	686,119	820,898	756,085	679,083	1,353,068	1,321,481	2,154,506
Public Safety	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714
Transportation	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-
Economic Development	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225
Total Charges for Services	<u>1,314,128</u>	<u>1,130,999</u>	<u>1,864,273</u>	<u>1,299,371</u>	<u>1,398,226</u>	<u>1,494,389</u>	<u>1,581,050</u>	<u>2,447,496</u>	<u>2,753,457</u>	<u>2,409,445</u>
Operating Grants and Contributions	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699
Capital Grants and Contributions	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160
Total Governmental Activities Program Revenues	<u>5,955,896</u>	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>	<u>2,761,304</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	291,807
Capital Grants and Contributions	-	-	-	147,708	732,292	-	-	-	1,100,000	872,200
Water & Sewer:										
Charges for Services	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-
Capital Grants and Contributions	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-
Telluride Conference Center:										
Charges for Services	-	-	-	-	-	76	421,774	494,103	815,187	-
Operating Grants and Contributions	-	-	-	-	14,200	-	-	-	-	-
Child Development:										
Charges for Services	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478
Operating Grants and Contributions	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859
Capital Grants and Contributions	-	9,240	-	-	-	32,050	159,724	-	-	-
Broadband:										
Charges for Services	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-
Parking Services:										
Charges for Services	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-	-
Operating Grants and Contributions	7,732	20,771	19,567	24,419	25,124	30,590	-	-	-	-
Regional Communication System:										
Charges for Services	-	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>7,589,279</u>	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>	<u>3,195,960</u>
Total Primary Government Program Revenues	<u>13,545,174</u>	<u>12,327,549</u>	<u>12,632,180</u>	<u>11,434,787</u>	<u>12,033,761</u>	<u>10,925,657</u>	<u>10,732,717</u>	<u>15,471,706</u>	<u>17,855,571</u>	<u>5,957,264</u>

Table A-2 (Continued)

Net (Expense)/Revenues:											
Governmental Activities	(10,844,042)	(10,380,422)	(10,756,777)	(11,312,063)	(11,192,505)	(10,236,748)	(13,132,038)	(12,220,146)	(8,782,192)	(3,805,409)	
Business-type Activities	348,624	(472,277)	(474,959)	(960,918)	(3,077,623)	(1,521,615)	(2,966,135)	(1,802,917)	578,761	845,792	
Total Primary Government Net Expense	<u>(10,495,417)</u>	<u>(10,852,699)</u>	<u>(11,231,736)</u>	<u>(12,272,982)</u>	<u>(14,270,128)</u>	<u>(11,758,363)</u>	<u>(16,098,173)</u>	<u>(14,023,063)</u>	<u>(8,203,431)</u>	<u>(2,959,617)</u>	
General Revenues and Other Changes in Net Position:											
Governmental Activities:											
Taxes:											
Property	7,070,688	7,128,873	7,709,941	7,845,065	8,357,159	7,635,783	6,517,003	6,539,508	7,205,552	855,700	
Specific Ownership	303,008	287,077	258,341	219,426	211,892	211,838	227,304	261,106	283,270	35,559	
Sales and Use	4,394,807	3,502,280	4,196,071	2,780,228	2,745,202	2,807,409	2,635,121	3,984,012	2,380,152	3,546,322	
Lodging	1,502,265	1,203,169	1,082,424	872,113	871,063	782,576	661,853	767,514	718,457	765,480	
Restaurant	367,006	314,825	274,993	246,473	243,948	224,278	205,006	207,566	200,032	205,520	
Miscellaneous	114,614	144,401	126,629	116,976	152,874	107,955	471,785	175,243	121,898	13,672	
Grants and Contributions Not Restricted to Specific Programs	40,534	43,990	-	-	-	-	2,575,862	-	99,616	98,458	
Interest Earnings	62,211	94,542	9,122	65,634	56,860	87,025	55,183	924,678	1,215,081	120,589	
Gain on Sale of Capital Assets	-	-	-	-	7,807	-	95,000	81,459	165,913	8,400	
Transfers	495,157	204,820	549,382	25,455	(130,424)	(587,322)	(1,021,800)	(604,644)	1,409,843	(2,060,046)	
Total Governmental Activities General Revenues	<u>14,350,289</u>	<u>12,923,978</u>	<u>14,206,903</u>	<u>12,171,370</u>	<u>12,516,382</u>	<u>11,269,542</u>	<u>12,422,317</u>	<u>12,336,442</u>	<u>13,799,814</u>	<u>3,589,654</u>	
Business-type Activities:											
Miscellaneous	72,856	389,133	384,538	352,202	308,442	246,270	210,632	-	50,721	-	
Investment Earnings	72	179	470	931	905	1,321	7,429	45,466	39,622	40,187	
Gain (Loss) on Sale of Capital Assets	-	-	-	-	(6,117)	-	7,306	7,122	200	-	
Contributions	-	-	-	-	-	-	-	-	-	-	
Transfers	(495,157)	(204,820)	(549,381)	(25,455)	130,424	587,322	1,021,800	604,644	(1,409,843)	2,060,046	
Total Business-type Activities General Revenues	<u>(422,228)</u>	<u>184,493</u>	<u>(164,373)</u>	<u>327,678</u>	<u>433,654</u>	<u>834,913</u>	<u>1,247,167</u>	<u>657,232</u>	<u>(1,319,300)</u>	<u>2,100,233</u>	
Total Primary Government General Revenues and Transfers	<u>13,928,061</u>	<u>13,108,470</u>	<u>14,042,530</u>	<u>12,499,048</u>	<u>12,950,036</u>	<u>12,104,455</u>	<u>12,480,514</u>	<u>12,993,674</u>	<u>12,480,514</u>	<u>5,689,887</u>	
Change in Net Position:											
Governmental Activities	3,506,247	2,543,555	3,450,126	859,307	1,323,876	1,032,794	(709,721)	116,296	5,017,622	(215,755)	
Business-type Activities	(73,604)	(287,784)	(639,332)	(633,241)	(2,643,969)	(686,702)	(1,718,968)	(1,145,685)	(740,539)	2,946,025	
Total Primary Government	<u>\$ 3,432,644</u>	<u>\$ 2,255,772</u>	<u>\$ 2,810,794</u>	<u>\$ 226,066</u>	<u>\$ (1,320,093)</u>	<u>\$ 346,093</u>	<u>\$ (2,428,689)</u>	<u>\$ (1,029,389)</u>	<u>\$ 4,277,083</u>	<u>\$ 2,730,270</u>	

TOWN OF MOUNTAIN VILLAGE
Program Revenues by Function/Program
Last Ten Years

TABLE A-3

Function/Program:	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities:										
General Government	\$ 463,438	\$ 332,853	\$ 598,790	\$ 686,119	\$ 820,898	\$ 756,085	\$ 679,083	\$ 1,353,068	\$ 1,321,481	\$ 2,154,506
Public Safety	7,146	5,592	4,150	(558)	5,156	25,578	121,117	54,896	1,029,580	80,714
Parking & Transportation	16,663	5,525	11,779	9,380	2,880	35,854	87,728	78,473	-	-
Economic Development	826,881	787,029	1,249,554	604,430	569,292	676,872	693,122	961,059	402,396	174,225
Operating Grants and Contributions	3,677,500	3,883,361	3,520,479	3,477,497	3,473,031	3,060,688	3,008,182	3,410,228	611,878	298,699
Capital Grants and Contributions	964,267	482,543	537,244	291,709	391,258	568,732	541,458	3,762,081	7,035,980	53,160
Total Governmental Activities	<u>5,955,896</u>	<u>5,496,903</u>	<u>5,921,996</u>	<u>5,068,578</u>	<u>5,262,515</u>	<u>5,123,809</u>	<u>5,130,690</u>	<u>9,619,805</u>	<u>10,401,315</u>	<u>2,761,304</u>
Business-type Activities:										
Housing Authority:										
Charges for Services	2,277,184	1,941,392	1,766,045	1,677,183	1,708,925	1,746,086	1,586,097	1,932,780	1,977,744	1,730,042
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	291,807
Capital Grants and Contributions	-	-	-	147,708	732,292	-	-	-	1,100,000	872,200
Water & Sewer										
Charges for Services	2,439,540	2,362,197	2,379,454	2,125,578	2,116,620	1,896,887	1,914,913	1,703,626	1,649,841	-
Operating Grants and Tap Fee Contributions	173,002	37,761	176,725	124,573	20,356	92,472	(69,436)	182,761	665,386	-
Telluride Conference Center										
Charges for Services	-	-	-	-	-	76	421,774	494,103	815,187	-
Operating Grants and Tap Fee Contributions	-	-	-	-	14,200	-	-	-	-	-
Daycare Program:										
Charges for Services	441,422	430,994	429,238	404,664	352,011	344,450	220,175	189,145	142,242	129,478
Operating Grants and Contributions	38,499	26,075	39,475	40,099	40,798	40,586	33,560	96,252	400	131,859
Capital Grants and Contributions	-	9,240	-	-	-	32,050	159,724	-	-	-
Broadband										
Charges for Services	1,717,541	1,625,486	1,572,602	1,522,159	1,472,986	1,410,430	1,297,013	1,205,726	1,072,134	-
Parking Services:										
Charges for Services	494,359	376,729	311,311	272,803	251,935	170,877	-	-	-	-
Operating Grants and Contributions	7,732	20,771	19,567	24,419	25,124	30,590	-	-	-	-
Regional Communication System:										
Charges for Services	-	-	15,767	27,024	36,000	37,344	38,208	47,508	31,322	40,574
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>7,589,279</u>	<u>6,830,646</u>	<u>6,710,184</u>	<u>6,366,210</u>	<u>6,771,247</u>	<u>5,801,848</u>	<u>5,602,027</u>	<u>5,851,901</u>	<u>7,454,256</u>	<u>3,195,960</u>
Total Primary Government	<u>\$ 13,545,174</u>	<u>\$ 12,327,549</u>	<u>\$ 12,632,180</u>	<u>\$ 11,434,787</u>	<u>\$ 12,033,761</u>	<u>\$ 10,925,657</u>	<u>\$ 10,732,717</u>	<u>\$ 15,471,706</u>	<u>\$ 17,855,571</u>	<u>\$ 5,957,264</u>

TOWN OF MOUNTAIN VILLAGE
Fund Balances, Governmental Funds
Last Ten Years

TABLE A-4

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Restricted for:										
Long-term Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,837	\$ -
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Non-spendable	287,930	322,325	395,397	34,385	251,876	325,498	-	-	-	-
Unassigned	<u>8,146,194</u>	<u>6,253,526</u>	<u>5,709,655</u>	<u>3,324,779</u>	<u>2,612,323</u>	<u>1,448,541</u>	<u>2,002,857</u>	<u>3,563,981</u>	<u>3,439,076</u>	<u>1,568,633</u>
Total Fund Balance	<u>8,985,348</u>	<u>7,111,942</u>	<u>6,637,196</u>	<u>3,860,781</u>	<u>3,366,466</u>	<u>2,296,789</u>	<u>2,332,161</u>	<u>4,101,721</u>	<u>4,142,653</u>	<u>1,816,433</u>
All Other Governmental Funds:										
Restricted for:										
Debt Service	743,941	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-
Capital Projects	-	-	-	-	-	-	-	(1,588,877)	18,886,087	-
Assigned	157,316	91,938	20,346	102,710	48,623	11,424	-	-	-	-
Unassigned, Reported in:										
Capital Projects Funds	-	-	-	-	-	-	-	15,428,143	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>901,257</u>	<u>842,584</u>	<u>754,997</u>	<u>1,135,713</u>	<u>1,105,084</u>	<u>1,138,093</u>	<u>1,293,186</u>	<u>14,936,546</u>	<u>20,063,727</u>	<u>-</u>
Total Governmental Funds										
Restricted for:										
Long-term Receivables	-	-	-	-	-	-	-	-	165,837	-
Debt Service	743,941	750,647	734,651	1,033,003	1,056,461	1,126,669	1,293,186	1,097,280	1,177,640	-
Capital Projects	-	-	-	-	-	-	-	(1,588,877)	18,886,087	-
Emergencies	551,223	536,090	532,144	501,617	502,267	522,750	329,305	537,740	537,740	247,800
Non-spendable	287,930	322,325	395,397	34,385	251,876	325,498	-	-	-	-
Assigned	157,316	91,938	20,346	102,710	48,623	11,424	-	-	-	-
Unassigned, Reported in:										
General Fund	8,146,194	6,253,526	5,709,655	3,324,779	2,612,323	1,448,541	2,002,857	3,563,981	3,439,076	1,568,633
Other Funds	-	-	-	-	-	-	-	15,428,143	-	-
Total Fund Balances	<u>\$ 9,886,605</u>	<u>\$ 7,954,526</u>	<u>\$ 7,392,193</u>	<u>\$ 4,996,494</u>	<u>\$ 4,471,550</u>	<u>\$ 3,434,882</u>	<u>\$ 3,625,347</u>	<u>\$ 19,038,267</u>	<u>\$ 24,206,380</u>	<u>\$ 1,816,433</u>
Percent change from previous year	<u>24.3%</u>	<u>7.6%</u>	<u>47.9%</u>	<u>11.7%</u>	<u>30.2%</u>	<u>-5.3%</u>	<u>-81.0%</u>	<u>-21.4%</u>	<u>1232.6%</u>	<u>-39.8%</u>

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

TOWN OF MOUNTAIN VILLAGE
Changes in Fund Balances, Governmental Funds
Last Ten Years

TABLE A-5

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:										
Taxes	\$ 13,637,774	\$ 12,436,224	\$ 13,521,770	\$ 11,963,305	\$ 12,429,265	\$ 11,661,884	\$ 10,246,286	\$ 11,759,707	\$ 6,856,892	\$ 5,422,253
Licenses and Permits	631,681	545,126	762,552	417,710	432,166	464,527	549,088	961,058	1,190,759	1,341,110
Intergovernmental	375,754	363,555	440,285	415,315	455,538	445,252	401,778	441,801	413,890	450,317
Charges for Services	357,801	284,648	736,705	441,139	494,218	554,579	509,067	1,036,903	1,029,581	1,037,114
Fines and Forfeitures	7,146	4,093	2,725	(558)	5,156	25,578	121,117	54,896	79,975	17,370
Investment Earnings	62,211	94,543	41,151	65,634	56,860	87,025	55,183	919,904	144,589	120,589
Grants and Contributions	4,583,515	4,346,616	3,968,785	3,769,206	3,875,430	3,861,383	6,125,502	7,121,147	-	-
Miscellaneous	114,614	97,266	108,789	142,742	152,874	115,770	471,785	179,243	461,723	13,851
Total Revenue	<u>19,770,495</u>	<u>18,172,070</u>	<u>19,582,763</u>	<u>17,214,493</u>	<u>17,901,506</u>	<u>17,215,998</u>	<u>18,479,806</u>	<u>22,474,659</u>	<u>10,177,408</u>	<u>8,402,604</u>
Expenditures:										
Current:										
General Government	9,362,252	9,003,564	9,722,040	10,073,500	10,014,456	10,472,575	11,057,927	14,917,454	8,305,813	1,659,142
Public Safety	811,016	714,239	765,603	838,821	850,149	870,536	1,002,641	954,082	768,222	1,014,081
Culture and Recreation	485,452	487,552	434,215	574,777	673,324	685,898	491,755	347,373	604,961	94,912
Economic Development	2,681,472	2,348,837	2,220,203	1,433,224	1,307,533	1,176,543	1,072,877	1,209,993	36,716	1,212,690
Intergovernmental	-	-	-	-	-	-	-	-	-	2,576,666
Capital Outlay	1,343,475	954,735	952,990	163,233	425,183	376,793	3,558,299	3,317,780	620,862	1,045,196
Debt service:										
Administrative Charges	119,254	113,844	114,780	114,912	140,822	90,412	-	-	-	-
Bond Issuance Costs	-	120,673	-	-	-	-	-	-	-	-
Principal	2,815,000	3,185,000	2,495,000	2,400,000	2,140,000	1,840,000	14,200,000	2,000,000	298,250	-
Interest	756,186	941,225	1,033,300	1,122,098	1,190,754	1,306,384	1,079,230	2,055,093	-	-
Total Expenditures	<u>18,374,106</u>	<u>17,869,670</u>	<u>17,738,132</u>	<u>16,720,567</u>	<u>16,742,221</u>	<u>16,819,141</u>	<u>32,462,728</u>	<u>24,801,774</u>	<u>10,634,823</u>	<u>7,602,687</u>
Excess of Revenues Over (Under) Expenditures	<u>1,396,389</u>	<u>302,400</u>	<u>1,844,631</u>	<u>493,927</u>	<u>1,159,285</u>	<u>396,857</u>	<u>(13,982,922)</u>	<u>(2,327,115)</u>	<u>(457,415)</u>	<u>799,917</u>
Other Financing Sources (Uses):										
Transfers In	1,710,628	1,579,663	1,787,359	856,571	890,208	611,163	1,677,264	2,340,072	2,670,177	76,564
Transfers Out	(1,215,471)	(1,489,270)	(1,237,977)	(831,117)	(1,020,632)	(1,198,485)	(2,699,064)	(2,702,151)	(1,749,655)	(2,083,450)
Payments of Refunded Bonds	-	(7,445,847)	-	-	(3,025,000)	-	-	-	-	-
Issuance of Refunded Bonds	-	7,571,396	-	-	3,025,000	-	-	-	-	-
Proceeds from Sale of Capital Assets	40,534	43,990	1,685	5,563	7,807	-	95,000	81,459	157,913	8,400
Total Other Financing Sources (Uses)	<u>535,690</u>	<u>259,933</u>	<u>551,067</u>	<u>31,018</u>	<u>(122,617)</u>	<u>(587,322)</u>	<u>(926,800)</u>	<u>(280,620)</u>	<u>1,078,435</u>	<u>(1,998,486)</u>
Net Change in Fund Balances	<u>\$ 1,932,079</u>	<u>\$ 562,332</u>	<u>\$ 2,395,698</u>	<u>\$ 524,945</u>	<u>\$ 1,036,668</u>	<u>\$ (190,465)</u>	<u>\$ (14,909,722)</u>	<u>\$ (2,607,735)</u>	<u>\$ 621,020</u>	<u>\$ (1,198,569)</u>
Debt Service as a Percent of Non-capital Expenditures	<u>21.0%</u>	<u>24.4%</u>	<u>21.0%</u>	<u>21.3%</u>	<u>20.4%</u>	<u>19.1%</u>	<u>52.9%</u>	<u>18.9%</u>	<u>3.0%</u>	<u>0.0%</u>

TOWN OF MOUNTAIN VILLAGE
Tax Revenues by Source, Governmental Funds
Last Ten Years

TABLE A-6

<u>Year</u>	<u>Property</u>	<u>Specific Ownership</u>	<u>Sales</u>	<u>Use and Cigarette</u>	<u>Lodging</u>	<u>Restaurant</u>	<u>Penalties and Interest</u>	<u>Total</u>
2006	\$ 855,700	\$ 35,559	\$ 2,284,260	\$ 1,272,125	\$ 765,480	\$ 205,520	\$ 3,609	\$ 5,422,253
2007	6,440,326 (1)	283,270	2,374,104	948,051	718,457	200,032	81,422	11,045,662
2008	6,400,527	261,105	2,429,211	1,552,182	767,481	207,566	45,410	11,663,481
2009	6,517,003	227,304	2,148,018	436,324	659,226	205,006	53,406	10,246,286
2010	7,613,001	211,838	2,314,439	487,124	782,576	224,278	29,157	11,662,414
2011	8,315,474	211,892	2,474,576	268,297	871,063	243,948	44,014	12,429,264
2012	7,790,254 (2)	219,426	2,496,731	279,374	872,113	246,473	60,423	11,964,795
2013	7,694,069	258,341	2,955,474	1,229,436	1,082,424	274,993	27,032	13,521,770
2014	7,026,165	287,077	3,138,781	357,359	1,203,169	314,825	23,316	12,350,692
2015	7,055,375	303,008	3,812,811	570,271	1,502,265	367,006	27,037	13,637,774
Change								
2006-2015	724.5%	752.1%	66.9%	-55.2%	96.3%	78.6%	649.2%	151.5%
2006-2013	799.2%	626.5%	29.4%	-3.4%	41.4%	33.8%	649.0%	149.4%
2011-2015	-15.2%	43.0%	54.1%	112.6%	72.5%	50.4%	-38.6%	9.7%

(1) Effective January 1, 2007 the Town of Mountain Village assumed all functions of the Mountain Village Metropolitan District

(2) Effective January 1, 2012 the Town of Mountain Village began self collection of sales taxes.

Town of Mountain Village
User Fee Revenues, Enterprise Funds
Last Ten Years

TABLE A-7

Year	Water and Sewer Fund User Fees	Water System Development User (Tap) Fees	Broadband Fund User Fees	Child Development Fund User Fees	Parking Services Fund User Fees	Telluride Conference Center Fund User Fees	Total User Fees
2006	\$ 1,660,198	\$ 1,644,570	\$ 963,840	\$ 129,479	\$ -	\$ 663,328	\$ 5,061,414
2007	1,649,840	665,386	1,072,134	143,210	-	785,085	4,315,655
2008	1,703,626	268,931	1,205,726	187,079	-	491,662	3,857,023
2009	1,914,913	26,534	1,297,013	220,175	-	421,795	3,880,429
2010	1,896,887	92,472	1,410,430	344,450	170,212	76	3,914,527
2011	2,116,620	20,356	1,472,986	352,011	263,113	-	4,225,086
2012	2,125,578	124,573	1,522,159	393,119	286,544	-	4,451,974
2013	2,379,454	176,725	1,572,602	415,121	323,035	-	4,866,936
2014	2,362,197	37,761	1,625,486	430,994	368,318	920	4,825,676
2015	2,439,540	173,002	1,717,541	441,422	494,359	-	5,265,864

Town of Mountain Village
Enterprise Fund Expenses
Last Ten Years

TABLE A-8

	Operations					Capital Outlay					Total Expenses
	Water and Sewer Fund	Broadband Fund	Child Development Fund	Parking Services Fund	Telluride Conference Center Fund	Water and Sewer Fund	Broadband Fund	Child Development Fund	Telluride Conference Center Fund		
2006	\$ 1,117,035	\$ 700,802	\$ 261,337	\$ -	\$ 1,008,835	\$ 14,268	\$ 424,239	\$ -	\$ 5,163	\$ 3,531,679	
2007	951,915	971,183	312,071	-	931,684	115,642	57,473	-	57,708	3,397,676	
2008	1,136,342	990,614	369,854	-	931,684	44,646	231,246	3,795	57,708	3,765,889	
2009	1,219,265	919,664	427,817	-	706,585	42,608	247,541	175,433	6,631	3,745,544	
2010	1,247,676	1,207,522	560,678	339,115	222,319	11,841	54,898	32,050	-	3,676,099	
2011	1,403,872	1,086,474	546,161	351,065	130,749	27,284	10,057	-	-	3,555,662	
2012	1,380,534	1,155,171	550,406	259,665	139,959	121,563	19,897	-	15,525	3,642,721	
2013	1,305,576	1,214,275	540,929	281,338	105,542	401,407	105,431	-	92,787	4,047,285	
2014	1,447,875	1,237,251	544,006	328,928	120,368	298,653	41,971	9,240	33,648	4,061,940	
2015	1,414,788	1,384,582	553,015	280,298	193,103	1,756,814	125,976	-	-	5,708,576	

TOWN OF MOUNTAIN VILLAGE
Actual Value and Estimated Assessed Value of Taxable Property
Last Ten Years

TABLE B-1

Collection Year	Assessment Year	Vacant Property	Residential Property	Commercial Property	Personal Property	State Assessed	Less: Tax-Exempt Property	Total Taxable Actual Value	Total Direct Tax Rate	Estimated Assessed Taxable Value	Taxable Estimated Assessed Value as a % of Actual Total Taxable Value
2006	2005	\$ 324,007,744	\$ 1,600,074,784	\$ 80,234,689	\$ 17,282,227	\$ 297,170	21,842,520	\$ 2,000,054,094	3.443	\$ 249,694,660	12.5%
2007	2006	290,783,830	1,724,029,259	80,054,583	17,927,575	260,463	17,077,397	2,095,978,313	13.697	247,050,670	11.8%
2008	2007	319,168,782	2,075,687,795	90,622,567	18,093,978	310,759	31,443,024	2,472,440,857	13.446	289,401,880	11.7%
2009	2008	309,444,713	2,236,232,301	96,019,648	16,835,620	664,069	31,185,284	2,628,011,067	13.443	309,559,030	11.8%
2010	2009	352,810,365	2,914,840,872	120,616,538	19,392,657	678,808	32,849,849	3,375,489,391	13.448	370,033,758	11.0%
2011	2010	340,682,083	2,979,575,525	102,003,092	28,002,801	664,919	31,938,566	3,418,989,854	13.604	373,861,120	10.9%
2012	2011	285,890,645	2,564,807,411	81,866,265	26,986,021	743,724	31,912,149	2,928,597,597	13.691	318,849,890	10.9%
2013	2012	225,264,565	2,177,223,916	117,188,460	21,971,079	N/A	34,225,675	2,507,422,345	13.479	317,578,720	12.7%
2014	2013	213,148,847	2,147,342,272	90,787,423	21,529,847	712,289	33,739,055	2,439,781,623	13.485	265,515,290	10.9%
2015	2014	231,186,150	2,529,775,804	93,154,429	20,427,600	508,131	41,826,618	2,833,225,496	13.460	266,407,970	9.4%
2016	2015	228,599,611	2,466,526,089	89,150,287	20,755,650	674,965	41,832,526	2,763,874,076	13.447	294,538,840	10.7%

N/A - information is not available.

Source: San Miguel County Assessor's Office

TOWN OF MOUNTAIN VILLAGE
Property Tax Rates
Direct and Overlapping Governments

TABLE B-2

Fiscal Year	Town Direct Rates				Overlapping Rates							
	Operations *	Debt (1)	Mountain Village Historical Museum	Total Direct	Mountain Village Metropolitan District	Telluride Fire District	San Miguel County	Library District R-1	Telluride School District	Lone Tree Cemetery District	Southwestern Water Conservation District	Telluride Hospital District
2007	13.364	-	0.333	13.697	11.704	2.670	10.120	3.690	13.568	0.063	0.205	2.603
2008	13.113	-	0.333	13.446	9.159	2.350	10.120	3.661	13.246	0.053	0.207	2.291
2009	13.110	-	0.333	13.443	8.050	2.454	10.120	3.629	10.887	0.054	0.216	2.288
2010	13.115	-	0.333	13.448	7.478	2.344	10.120	3.492	10.647	0.049	0.020	2.284
2011	13.271	-	0.333	13.604	8.794	2.498	10.120	3.492	10.290	0.051	0.272	2.294
2012	13.358	-	0.333	13.691	10.750	2.947	10.120	3.587	10.113	0.051	0.291	2.304
2013	13.146	-	0.333	13.479	10.823	2.967	10.120	3.630	8.678	0.051	0.307	2.288
2014	13.152	-	0.333	13.485	13.325	3.038	10.120	3.710	8.989	0.051	0.368	2.286
2015	13.127	-	0.333	13.460	13.052	3.020	10.120	3.655	11.922	0.051	0.362	2.280
2016	13.114	-	0.333	13.447	13.052	2.855	10.120	3.661	11.332	0.049	0.340	2.280

Source: San Miguel County Treasurer's Office

Tax rates are per \$1,000 assessed valuation, a rate of 1,000 results in \$1 of revenue for every \$1,000 of assessed

* The mill levy for general operating expenses has remained stable - the small variances are caused by refunds and abatements.

(1) The debt for the town is still serviced through the district.

Combined Mill Levy for the Town of Mountain Village Residents by year:

2007	25.401	2012	24.441
2008	22.605	2013	24.302
2009	21.493	2014	26.810
2010	20.926	2015	26.512
2011	22.398	2016	26.499

TOWN OF MOUNTAIN VILLAGE
Principal Property Taxpayers
Current Year and Ten Years Ago

TABLE B-3

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015</u>			<u>2006</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Town's Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Town's Taxable Assessed Value</u>
Telluride Ski and Golf Company	Ski Area Owner and Operator	\$ 16,614,050	1	5.6%	\$ 15,372,285	1	6.2%
MV Colorado Development	Real Estate Developer	6,525,000	2	2.2%	-		0.0%
Madeline Property Owner LLC (1)	Hotel/Condominium Units	6,114,630	3	2.1%	1,704,930	9	0.7%
Butler, Alice L as Trustee	Private Property Owner	3,159,420	4	1.1%	2,290,540	8	0.9%
AMMV Investments, LLC / Club Telluride LLC	Residential Ownership Club	2,500,360	5	0.8%	4,779,990	3	1.9%
Yellow Brick Road Company LLC	Private Property Owner	2,320,000	6	0.8%	-		0.0%
CO Lot 161C R Mountain	Real Estate Developer	1,827,000	7	0.6%	-		0.0%
Northern Trust NA AS TRTEE ET AL	Financial Institution	1,726,640	8	0.6%	-		0.0%
Telluride LLC	Private Property Owner	1,476,880	9	0.5%	-		0.0%
Telluride Holdings LLC	Real Estate Investment Group	1,160,000	10	0.4%			
Exclusive Resorts	Residential Ownership Club	-		0.0%	2,333,540	7	0.9%
Stonegate Sundance Partners, LLC	Real Estate Developer	-		0.0%	4,387,430	4	1.8%
Peaks Resort and Spa (Telluride Resort and Spa LLC)	Hotel and Spa	-		0.0%	5,579,420	2	2.3%
Barnett, Hoyt and Carol	Private Property Owner	-		0.0%	1,723,530	9	0.7%
St. Sophia Partners, LLLP	Real Estate Developer	-		0.0%	2,561,880	6	1.0%
Honig Aviation	Real Estate Developer	-		0.0%	2,954,180	5	1.2%
Subtotal Principal Taxpayers		<u>43,423,980</u>		<u>14.6%</u>	<u>43,687,725</u>		<u>17.7%</u>
All Other Taxpayers		<u>254,001,500</u>		<u>85.4%</u>	<u>202,457,996</u>		<u>82.3%</u>
Total Taxpayers		<u>\$ 297,425,480</u>		<u>100.0%</u>	<u>\$ 246,145,721</u>		<u>100.0%</u>

Source: San Miguel County Assessor's Office

(1) Formerly Lost Creek Associates & RAL Mountain Village Lodging & Ektornet US Telluride LLC

TOWN OF MOUNTAIN VILLAGE
Property Tax Levies and Collections
Last Ten Years

TABLE B-4

Collection Year	Assessment Year		Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date				
				Amount	% of Levy		Amount	% of Levy			
2006	2005	\$	859,574	\$	856,223	99.61%	\$	-	\$	856,223	99.61%
2007	2006	(1)	6,351,519		6,350,226	99.98%		4,832		6,354,058	100.04%
2008	2007		6,522,491		6,496,245	99.60%		(44)		6,496,201	99.60%
2009	2008		6,463,656		6,458,377	99.92%		-		6,458,377	99.92%
2010	2009		7,743,049		7,613,326	98.32%		(5,731)		7,607,595	98.25%
2011	2010		8,368,027		8,330,119	99.55%		(12,169)		8,317,950	99.40%
2012	2011		7,793,017		7,742,011	99.35%		(1,076)		7,740,935	99.33%
2013	2012		7,717,798		7,697,744	99.74%		163		7,697,907	99.74%
2014	2013		7,118,465		7,116,268	99.97%		-		7,116,268	99.97%
2015	2014		7,063,008		7,060,595	99.97%		-		7,060,595	99.97%

Source: San Miguel County Treasurer Office

Notes: The San Miguel County Treasurer's fee has not been deducted from the collection amounts. The negative numbers reflect abatements (refunds) that have been granted to property owners who successfully protested their valuations in the tax area in subsequent years.

(1) The Mountain Village Metropolitan District dissolved effective 1/1/2007; all the assets and obligations were transferred to the Town of Mountain Village

TOWN OF MOUNTAIN VILLAGE
Ratios of Outstanding Debt by Type -Town of Mountain Village
Last Ten Years

TABLE C-1

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Actual Property Value (1)	Per Capita (2)	Per Personal Income
	General Obligation Bonds, Net (1)	Revenue Bonds	Note Payable					
2006	\$ 48,485,000	\$ 13,265,000	\$ 1,200,000	\$ 62,950,000	3.1%	\$ 54,644	\$ 1,185	
2007	46,145,000	13,265,000	1,171,056	60,581,056	2.9%	50,908	1,098	
2008	44,145,000	13,265,000	1,152,591	58,562,591	2.4%	45,645	1,102	
2009	29,945,000	13,020,000	1,132,898	44,097,898	1.7%	33,637	874	
2010	28,105,000	13,020,000	1,110,691	42,235,691	1.3%	32,167	904	
2011	26,090,000	12,840,000	1,088,946	40,018,946	1.2%	30,089	802	
2012	23,565,000	12,650,000	1,066,251	37,281,251	1.3%	27,698	724	
2013	21,070,000	12,450,000	1,042,247	34,562,247	1.4%	25,470	602	
2014	18,190,000	12,340,000	1,017,055	31,547,055	1.3%	22,893	522	
2015	15,375,000	12,340,000	660,221	28,375,221	1.2%	20,347	465	

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- (1) See Table B-1 for taxable property value data.
- (2) See Table D-1 for population data.
- (3) The revenue bonds were issued on December 29, 2000.
- (4) In 2002, the Town entered into a loan for the purpose of land acquisition and construction planning costs for the Affordable Housing Development fund.
- (5) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007

Town Of Mountain Village
Direct and Overlapping Bond Debt
December 31, 2015

TABLE C-2

<u>Governmental Unit</u>	<u>2015 Valuation</u>	<u>Bond Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Library District R-1	\$ 743,809,750	\$ 1,365,000	39.6%	\$ 540,522
Telluride Fire District	743,809,750	2,967,359	39.6%	1,175,035
Subtotal		4,332,359		1,715,557
Mountain Village Metropolitan District, a unit of the Town of Mountain Village	294,538,840	15,375,000 (1)	100.0%	15,375,000
Total Direct and Overlapping Debt		<u>\$ 19,707,359</u>		<u>\$ 17,090,557</u>

Sources: San Miguel County Assessor's Office for the 2014 valuation; each governmental unit for the debt outstanding data.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Mountain Village by taking the total valuation of MV divided by the total valuation of the entire district times the outstanding debt of each entity. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident, and therefore responsible for (1) For the purposes of debt service, Mountain Village Metropolitan District has been kept in existence until all debt service is retired.

TOWN OF MOUNTAIN VILLAGE

Pledged-Revenue Coverage

Last Ten Years

TABLE C-3

Village Court Apartments (VCA) Revenue Bonds and Construction Note (1)

<u>Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2006	\$ 2,062,036	\$ 830,836	\$ 1,231,200	\$ 320,000	\$ 261,335	2.12
2007	2,034,595	870,328	1,164,267	30,690	506,439	2.17
2008	1,974,545	1,014,551	959,994	18,468	697,628	1.34
2009	1,808,333	1,484,950	323,383	264,610	552,620	0.40
2010	1,986,020	1,121,823	864,197	22,298	486,158	1.70
2011	1,996,266	1,095,394	900,872	201,745	293,179	1.82
2012	2,007,358	1,003,534	1,003,824	214,502	272,229	2.06
2013	2,129,888	1,049,555	1,080,333	224,004	266,229	2.20
2014	2,324,246	1,005,537	1,318,710	285,801	262,799	2.40
2015	2,337,461	1,030,000	1,307,461	356,834	480,291	1.56

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Gross revenues include non-operating interest income and grants and contributions.

Operating expenses do not include interest, loan fees, depreciation, or amortization.

- (1) The VCA revenue bonds were issued on December 29, 2000. The construction Note issued in 2006.
- (2) The Telluride Mountain Village Owners Association (TMVOA) guarantees the debt service payments to the extent not covered by operating surpluses by pledging its property owner assessments and guaranteeing the obligation by funding the guaranty fund in the amount of \$1,350,000.

Town of Mountain Village - Mountain Village Metropolitan District
Legal Debt Margin Information
Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Value	\$ <u>249,694,660</u>	\$ <u>250,050,970</u>	\$ <u>288,548,790</u>	\$ <u>370,033,758</u>	\$ <u>373,861,120</u>	\$ <u>318,849,890</u>	\$ <u>317,578,720</u>	\$ <u>265,515,290</u>	\$ <u>266,407,970</u>
Debt Limit (1)	124,847,330	125,025,485	144,274,395	185,016,879	186,930,560	159,424,945	158,789,360	132,757,645	133,203,985
Total Net Debt Applicable to Limit	<u>36,280,000</u>	<u>34,005,000</u>	<u>32,075,000</u>	<u>26,845,000</u>	<u>25,080,000</u>	<u>23,065,000</u>	<u>20,765,000</u>	<u>18,370,000</u>	<u>15,595,000</u>
Legal debt margin	\$ <u>88,567,330</u>	\$ <u>91,020,485</u>	\$ <u>112,199,395</u>	\$ <u>158,171,879</u>	\$ <u>161,850,560</u>	\$ <u>136,359,945</u>	\$ <u>138,024,360</u>	\$ <u>114,387,645</u>	\$ <u>117,608,985</u>
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	29.1%	27.2%	22.2%	14.5%	13.4%	14.5%	13.1%	13.8%	11.7%

Source: San Miguel County Assessor's Office for the assessed value.

(1) Greater of 50% of assessed valuation or \$2,000,000.

TOWN OF MOUNTAIN VILLAGE
Demographic and Economic Statistics
Last Ten Years

TABLE D-1

Town of Mountain Village					San Miguel County Area				
Year	Population	Per Capita Personal Income	Per Capita Total Income	Zoned Population	Population	Per Capita Personal Income	Per Capita Total Income	School Enrollment	Unemployment Rate
2005	1,152	-	-	8,027	7,045	47,267	332,996,015	901	4.3%
2006	1,190	-	-	8,027	7,059	53,114	374,931,726	929	3.5%
2007	1,283	-	-	8,027	7,276	55,174	401,446,024	1,011	3.1%
2008	1,311	-	-	8,027	7,304	53,120	387,988,480	1,010	3.9%
2009	1,274	-	-	8,027	7,267	50,432	347,558,809	973	6.6%
2010	1,313	45,520	59,767,117	8,027	7,356	46,709	358,998,071	954	7.6%
2011	1,330	-	-	8,027	7,487	49,889	288,524,311	1,032	7.8%
2012	1,346	-	-	8,027	7,601	51,476	391,269,076	738	7.3%
2013	1,357	-	-	8,027	7,683	57,405	321,051,257	863	6.4%
2014	1,378	-	-	8,027	7,823	60,426	391,266,354	835	6.0%
2015	1,395	-	-	8,027	7,948	61,030	485,078,760	907	2.5%

Source: Population and income data provided by the Colorado Division of local Government, State Demography Office; school enrollment data provided by Colorado Department of Education; unemployment data provided by the US Bureau of Labor Statistics. Personal per capita income for the Town of Mountain Village is only calculated every ten years during the U.S. Census.

TOWN OF MOUNTAIN VILLAGE

Principal Employers

Last Ten Years

TABLE D-2

2015					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	1,058	78.21%	1	
Town of Mountain Village	Government	132	9.74%	2	
Madeline Property Owners (Hotel Madeline)	Hotel and Restaurants	163	12.05%	3	
Total		1,353			
2014					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	953	72.25%	1	
Town of Mountain Village	Government	128	9.71%	2	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	125	9.48%	3	
Ektornet (Hotel Madeline)	Hotel and Restaurants	113	8.57%	4	
Total		1,319			
2013					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company (1)	Ski Area Owner and Operator	965	73.25%	1	
Town of Mountain Village	Government	130	9.90%	2	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	121	9.18%	3	
Ektornet (Hotel Madeline)	Hotel and Restaurants	101	7.67%	4	
Total		1,317			
2012					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,050	69.12%	1	
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	180	11.85%	3	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	145	9.55%	2	
Town of Mountain Village	Government	144	9.48%	4	
Total		1,519			
2011					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,010	68.93%	1	
Ektornet (Hotel Madeline & Inn at Lost Creek)	Hotel and Restaurants	157	10.71%	3	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	150	10.24%	2	
Town of Mountain Village	Government	148	10.12%	4	
Total		1,465			
2010					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	970	67.08%	1	
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	175	12.10%	3	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	153	10.58%	2	
Town of Mountain Village	Government	148	10.24%	4	
Total		1,446			
2009					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	950	69.90%	1	
Town of Mountain Village	Government	156	11.48%	2	
RAL Lodging LLC (Capella & Inn at Lost Creek)	Hotel and Restaurants	130	9.57%	3	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	123	9.05%	4	
Total		1,359			
2008					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,079	75.09%	1	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	205	14.27%	2	
Town of Mountain Village	Government	153	10.65%	3	
Total		1,437			
2007					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	1,194	74.39%	1	
Town of Mountain Village	Government	221	13.77%	2	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	190	11.84%	3	
Total		1,605			
2006					
Employer	Type of Business	Employees	% of Total Employment	Rank	
Telluride Ski and Golf Company	Ski Area Owner and Operator	908	65.84%	1	
Town of Mountain Village	Government	291	21.10%	2	
Telluride Resort and Spa	Hotel, Restaurants, and Spa	180	13.05%	3	
Total		1,379			

(1) In 2013, TSG purchased the Inn at Lost Creek and in 2015, The Peaks Resort and Spa.

Source: Human Resource departments for various agencies.

TOWN OF MOUNTAIN VILLAGE
Full-Time Equivalent Town Employees by Function/Program
Last Ten Years

TABLE E-1

Former MVMD Employees - Functions/Programs (1)

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Planning and Development</u>	<u>Housing Authority</u>	<u>Daycare Program</u>	<u>Administration</u>	<u>Road & Bridge</u>	<u>Parking & Transit</u>	<u>Plaza Services Parks & Recreation</u>	<u>Gondola</u>	<u>Water & Sewer</u>	<u>Broadband Fund</u>	<u>Conference Center</u>	<u>Total</u>
2006	4.70	10.00	8.40	5.00	5.50	8.50	13.80	17.80	22.30	51.00	7.40	2.90	9.10	166.40
2007	5.00	10.00	9.00	5.00	5.00	9.00	15.00	22.00	17.00	51.00	6.00	3.00	9.00	166.00
2008	6.00	10.00	9.00	5.00	7.00	10.00	16.00	18.00	18.00	47.00	6.00	4.00	9.00	165.00
2009	4.00	10.00	6.00	5.00	10.00	8.00	14.00	17.00	18.00	45.00	7.00	4.00	8.00	156.00
2010	3.80	10.70	6.00	5.50	9.20	8.50	13.00	18.15	17.25	45.00	7.00	4.00	0.00	148.10
2011	3.80	10.70	7.00	6.00	8.55	9.20	13.00	18.15	17.25	44.10	6.50	4.00	0.00	148.25
2012	3.50	9.70	6.85	6.15	8.55	9.50	12.50	17.90	15.00	44.25	6.50	4.00	0.00	144.40
2013	3.50	8.70	5.00	6.15	8.50	9.50	12.50	6.95	15.10	44.05	6.50	4.00	0.00	130.45
2014	3.50	9.00	4.85	6.15	8.50	9.50	12.00	4.90	15.20	43.95	6.50	4.00	0.00	128.05
2015	3.50	9.00	6.10	6.15	8.50	9.50	12.00	4.80	16.30	45.40	6.50	4.00	0.00	131.75

N/A - information is not available.

Source: Town of Mountain Village Human Resources Department

(1) Mountain Village Metropolitan District merged into the Town of Mountain Village 1/1/2007-Prior year statistics are included for former MVMD departments.

TOWN OF MOUNTAIN VILLAGE
Operating Indicators by Function/Program
Last Ten Years

Function/Program:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General:										
Business Licenses Issued (5)	1,101	1,043	1,038	1,035	944	778	640	648	670	636
Business Licenses Revenue	\$ 281,898	\$ 270,572	\$ 268,235	\$ 245,933	\$ 228,506	\$ 201,719	\$ 187,160	\$ 185,476	\$ 196,126	\$ 171,930
Skier Days (1)	505,592	478,211	454,259	424,822	423,927	420,621	454,257	450,730	426,244	390,346
Real Estate Transfer Assessments (RETA)	\$ 5,416,271	\$ 6,301,078	\$ 3,962,093	\$ 4,873,158	\$ 2,684,481	\$ 4,318,347	\$ 3,400,333	\$ 4,721,320	\$ 8,312,927	\$ 9,038,755
Community Development:										
Construction Permits Issued	341	93	128	127	303	87	75	192	209	190
Building Permits Valuation	\$ 34,723,371	\$ 17,782,576	\$ 56,574,803	\$ 37,471,121	\$ 18,130,969	\$ 27,388,886	\$ 32,562,444	\$ 86,183,479	\$ 158,362,440	\$ 210,394,175
Housing Authority										
Occupancy Rate	99.36%	95.53%	87.16%	81.56%	81.36%	85.92%	81.82%	90.68%	N/A	N/A
Public Works:										
Street Resurfacing (miles)	1.00	1.06	3.30	1.50	0.00	5.00	1.80	1.90	1.73	2.40
Water:										
Average Daily Consumption (gallons)	619,452	530,348	644,682	686,717	695,070	545,099	479,431	439,688	427,441	504,638
Wastewater:										
Average Daily Sewage Treatment (gallons)	232,521	240,565	223,572	212,085	218,071	212,312	222,784	232,342	236,534	232,921
Transit:										
Gondola Passengers	2,617,642	2,407,193	2,283,778	2,171,113	2,148,977	2,298,067	2,264,662	2,435,322	2,349,442	2,152,548
Dial A Ride Passengers	74,008	48,172	26,887	59,280	66,973	61,411	52,439	63,935	63,097	55,163
Broadband Services:										
Cable TV Subscribers	1,685	1,560	1,423	1,412	1,448	1,501	1,489	1,542	1,401	1,356
Phone Subscribers	98	96	88	84	77	37	N/A	N/A	N/A	N/A
Internet Subscribers	1,815	1,012	952	955	954	910	823	621	718	624
Daycare Services: (3)										
Average # of Resident Infants Tended Per Day	5.04	4.39	3.92	4.57	2.57	2.02	3.16	5.10	5.08	4.13
Average # of Resident Toddlers Tended Per Day	11.15	12.14	12.45	9.10	8.52	9.95	10.43	12.95	12.72	12.29
Average # of Non-resident Infants Tended Per Day	0.65	0.77	0.73	0.92	1.19	1.15	1.84	0.65	N/A	N/A
Average # of Non-resident Toddlers Tended Per Day	2.27	1.10	1.83	2.18	3.57	5	3.36	3.74	N/A	N/A
Preschool Services: (4)										
Average # of Resident Students Tended Per Day	11.02	9.81	8.55	9.80	9.11	8.67	7.72	N/A	N/A	N/A
Average # of Non-resident Students Tended Per Day	3.71	4.06	4.98	4.30	3.60	2.81	1.44	N/A	N/A	N/A
Conference Center: (2)										
Attendance at Events	36,937	28,943	13,321	11,839	11,530	24,309	19,792	27,694	N/A	N/A
Number of Event Days	150	81	129	87	103	131	90	131	187	147
Percentage of Possible Event Days	41.10%	22.19%	35.34%	23.84%	28.22%	35.89%	24.66%	35.84%	51.23%	40.27%

N/A - information is not available or has changed in the way that it is tracked.

Sources: Various town departments. skier days data provided by the Telluride Ski and Golf Company.

- (1) Skier Days represents the number of skiers visits.
- (2) In October of 2009, the operations of the Conference Center was contracted out to a management company.
- (3) In 2008, new rates were established for resident and non-resident children.
- (4) In October of 2009, a preschool program was started.
- (5) The increase in BL's from 2009-2011 was due mainly to a change in the BL ordinance and new audit procedures. For business licensing and tax collections, the Town went to an online filing and payment system in 2012. Some of the increase in licensing are (zero fee) taxpayers, previously not licensed.

TOWN OF MOUNTAIN VILLAGE
Capital Asset Statistics by Function/Program
Last Ten Years

TABLE E-3

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Function/Program:										
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Streets (miles)	20	20	18	18	18	18	18	18	18	18
Water Mains (miles)	35	35	30	30	30	30	30	30	30	30
Sewer Lines (miles)	29	29	19	19	19	19	19	19	19	19
Fleet:										
Vehicles (1)	82	81	79	78	79	80	77	76	78	75
Broadband Services:										
Cable TV Line (miles)	33	33	33	33	33	33	33	28	20	20
Parks and Recreation:										
Acreage of Parks and Open Space	1169	1169	1169	1169	1169	1169	1169	1169	1129	1129
Miles of Maintained Trails (Winter)	15	15	15	13	13	13	13	13	13	13
Miles of Maintained Trails (Summer)	16	16	16	10	8	8	8	8	8	8
Ponds	3	3	3	3	3	4	4	4	4	4
Outdoor Ice Skating Rink	1	1	1	1	1	1	1	0	0	0
Outdoor Ice Skating Pond	0	0	0	0	0	1	1	1	1	1
Conference Center	1	1	1	1	1	1	1	1	1	1

Sources: Various town departments.

(1) Because of the merger of the Town and Mountain Village Metropolitan District, the vehicle fleets have been combined for comparison purposes.

Town of Mountain Village
Cable Department
Semi-Annual Report to Town Council
January 2016 to July 2016

Department Goals

1. Service the community with the newest technologies available for video services.
2. Service the community with the newest technologies available for Internet services
3. Full compliance with FCC guidelines and reporting requirements.
4. Provide Mountain Village the highest level of customer service.
5. Service the community with the newest technologies available for Phone services
6. Operating the enterprise does not require general tax subsidy.

Performance Measures

1. Maintain 75% of units in Mountain Village as video customers.
2. Maintain 80% of units in Mountain Village as data customers.
3. Complete all FCC reports on time
4. Average number of service calls per month with all calls being completed within 24 hours.
5. Average down time of phone customers to be .03% or less
6. The enterprise operates without transfers from the General Fund or other funds of the Town.

The Cable Department is responsible for the care and maintenance of 36 miles of plant which serves 2048 homes, condos, hotels, and apartments.

Performance Report

1. We have maintained 79.79% (national average is 48%) of video customers of homes passed for the 1st half of 2016. We have increased our Video customers from 1685 to 1690 .
2. We have maintained 85% (national average is 42%) of internet customers of homes passed for the 1st half of 2016. We have increased our Internet customers from 1815 to 1832.
3. All FCC reports are current.
4. We provide approximately 42 service calls per month all within 24 hours of request.
5. We had 4 Internet outages lasting 64 hours the last 2 months caused by CenturyLink
6. The Cable department is fully self-funded.
7. We completed 414 service truck rolls and 224 cable locates to date in 2016

Cable Department Projects and Issues

Average internet utilization has been 12% during. We have completed the process of upgrading our cable billing system to allow for added services. We now offer channels available on the internet.

Fox Denver and the WB has requested a contract with terms of \$2.95 per sub per month we pay ABC \$1.30 NBC \$1.80 and CBS \$2.00 also they want \$42389.30 to cover last year Dish has dropped this channel.



**TOWN OF MOUNTAIN VILLAGE
TOWN MANAGER
CURRENT ISSUES AND STATUS REPORT
JULY 2016**

1. Great Services Award Program

- **June Great Services Award:**
 - **Jessica Quinn** – Plazas and Environmental Services – for extreme patience and excellent customer service during event management – **JUNE WINNER**

2. Medical Center

- A site visit is being scheduled with the Army Corps of Engineers, Town, the Medical Center and our wetland consultant to walk the affected property and proposed mitigation sites. This site visit will happen in the month of July
- Met with John Gardner, the new CEO of the Medical Center, to discuss the new facility, the history, wetlands permit and to take the opportunity to introduce ourselves
- Participated in a conference call on July 12th with the Medical Center, our consultant and Town attorneys to discuss the latest questions from the Army Corps and prepared appropriate answers

3. TSG Items

- TSG executed the necessary easements for the Meadows Improvement Plan for Boulder's Way including the improved bus stop
- Completed necessary easements with TSG for the back-up generator site for the gondola. Staff has proceeded to the RFP process and are cautiously optimistic that we can get the generator operational prior to the 2016 ski season. However, the building to enclose the generator would not be complete until 2017

4. RTA

- Town of Telluride, San Miguel County and Town of Mountain Village all conducted their first public hearing to receive public comment on the draft IGA
- All three entities will also conduct their second public hearing in July together with formal approval and adoption of the IGA. Bruce MacIntire, Marty McKinley, Laila Benitez and I attended the Telluride meeting on July 12th and they conditionally approved the IGA, subject to voter approval, on a 5 – 2 vote.
- We will be looking to schedule a follow up meeting with the intergovernmental group for the RTA to discuss campaign group, educate ourselves on the formal ballot language and discuss any other necessary items. The proposed dates for the

next meeting are either July 28th or July 29th, with a Doodle calendar being sent out prior to our Council meeting

5. Miscellaneous

- A public meeting with Mountain States Employers Council, Inc. regarding the Benchmarking Study was conducted in the Mountain Village Council Chambers on Tuesday, June 21st. 20 plus citizens participated and we believe it was appreciated and well received. Conducted a follow up meeting with MSEC consultant and confirmed the project is still on schedule and have set up regular update meetings
- Toured the new Telluride Tourism Board's Visitor Information Center and Offices with Michael Martelon and his staff

TO: Mountain Village Town Council
FROM: Heather Knox
DATE: July 12, 2016
RE: EcoAction Partners 2017 Funding Request

EcoAction Partners would like to thank the Mountain Village Town Council for your continued support of our organization, which allows EcoAction Partners to provide programs and services to our constituents, as well as coordination throughout the region on sustainability efforts.

Attached is the EcoAction Partners 2017 Draft Work Plan that also highlights our accomplishments for each topic. For 2017, EcoAction Partners is respectfully requesting \$40,000 from Mountain Village for the services we provide.

Thank you again to the Mountain Village for the continued support of your region's sustainability organization.

ECOACTION PARTNERS 2017 DRAFT WORK PLAN & PROGRAM ACCOMPLISHMENTS

- **SAN MIGUEL POWER ASSOCIATION INCOME QUALIFIED WEATHERIZATION PROGRAM (SMPA IQ)**

EcoAction Partners, in partnership with Energy Outreach Colorado, and San Miguel Power Association, is managing the SMPA Income Qualified (IQ) Weatherization Program, which targets low to mid-income residents in our region for energy efficiency improvements. Qualified renters or homeowners receive an energy assessment, prioritizing cost effective energy efficiency measures, which are then implemented. Once the weatherization is complete, the SMPA member is eligible for a free solar panel associated with their account in the new SMPA Income Qualified solar garden.

The 2016 goal for the SMPA IQ Weatherization program was to reach 12-15 residences in the first year. EcoAction Partners currently has 19 approved customers in the queue for service, 2 of whom are Mountain Village residents/families. Nearly all of the energy audits have been completed and the improvements are being coordinated.

- **REGIONAL COMPOSTING PROGRAM**

EcoAction Partners is currently two thirds of the way towards completing a State of Colorado Department of Health and Environment Recycling Resources Economic Opportunity (RREO) Planning Grant that we received to support our goal of creating a regional composting program. Once the planning grant is completed at the end of the year, EcoAction Partners will apply for an Implementation Grant for the Regional Composting Program. If EcoAction Partners receives the implementation grant with funding to support the infrastructure needed, a regional composting program will be targeted to get off the ground in 2017/2018.

- **SNEFFELS ENERGY BOARD: ONGOING REGIONAL COORDINATION & COLLABORATION**

Since 2009, EcoAction Partners has coordinated our regional energy board (previously known as the Western San Juan Regional Energy Board, now the Sneffels Energy Board) which includes representatives from: the governments of: Telluride, Mountain Village, San Miguel County, Ridgway, Ouray, Ouray County, Norwood and Ophir; as well as representatives from SMPA and Black Hills Energy (previously SourceGas), and community members.

The Sneffels Energy Board facilitates regional collaboration to reach sustainability goals, shares information from the Colorado statewide sustainability network, and researches successful programs from other communities as possible models to implement locally. Advantages of this regional approach include a stronger voice to influence political change, combined resources and greater economy of scale to apply for and implement grant programs, and sharing of experiences across the region.

- **GREENHOUSE GAS EMISSIONS INVENTORY & ENERGY USE ANALYSIS**

As part of the work with the Sneffels Energy Board, EcoAction Partners is our region's resource for gathering, updating and maintaining both jurisdiction specific, and regional, Greenhouse Gas Emissions data. This work began in 2010; the six years of data reflects our region's economic, visitor and population fluctuations, in the context of the goal to reduce emissions.

EcoAction Partners works with the Sneffels board and each government's Energy Action Coordinators (EACs) to interpret the results. The information is shared annually with each government and their communities to

facilitate continued progress towards reduction goals. Ongoing analysis of the six years of energy use data is helping to determine success of energy efficiency programs, renewable energy projects, and where to continue to direct efforts for energy conservation.

- **GOVERNMENT ENERGY USE ANALYSIS**

Four of our regional governments use FacilityDude software to track and analyze government energy use. EcoAction Partners assists each EAC as needed with utility data upload, analysis, and identifying opportunities for reducing energy consumption at government owned facilities.

- **BUILDING ENERGY CODES**

EcoAction Partners continues to assist our region’s building departments with updating, interpreting, and applying building energy codes for new construction. With the goal of maintaining some consistency within the region, current priorities include assisting building departments that have not yet gone through the update recently completed by Mountain Village. Ongoing assistance to and communication with the Mountain Village building department continues on an as-needed basis.

- **GREENLIGHTS LED PROGRAM**

Lighting, particularly commercial lighting, is an effective way to reduce greenhouse gases because of the fantastic return on investment. Amory Lovins touts the benefits of LED lighting upgrades for their better light quality, energy savings, and environmental benefits, as “not just a free lunch, but a lunch you are paid to eat.”

Greenlights is a program similar to Relight Mountain Village targeting our regional community partners. EcoAction Partners brought the program to the Town of Telluride, San Miguel County, and the Town of Ridgway in 2015. EcoAction Partners will be running Greenlights for these entities again in the fall of 2016.

Greenlights 2015 Results:

GREENLIGHTS Community Bulb Purchase Report 2015							
		Bulbs	Government	Watts	Annual	Lbs CO2	
	Participants	Purchased	Rebate	Saved1	kWh	Saved	Dollar per
					Saved2	Year3	CO2 20 Yr
Town of Telluride	116	3,195	\$ 13,514.82	33,908	37,129	72,951	\$ 0.0093
San Miguel County	111	2,088	\$ 8,680.19	16,761	28,607	55,919	\$ 0.0078
Town of Ridgway	19	260	\$ 2,300.00	9,233	10,110	20,118	\$ 0.0057
Total	246	5,543	\$ 24,495.01	59,901	75,846	148,988	\$ 0.0082

Assumptions: A. Based on average of 60% watt reduction per bulb B. 3 hours per day use C. 1.93 lbs. CO2 per kWh

- **SAN MIGUEL ENERGY FORUMS**

Biannually, EcoAction Partners coordinates Energy Forums, which have historically been held in the Mountain Village. The 2016 San Miguel Energy Forum was a successful event. A group of regional energy and fuel leaders joined together on June 1st at the Mountain Village Town Hall and presented on an array of topics related to energy efficiency in homes and facilities, renewable energy opportunities, and alternative fuel vehicles, to name a few. Representatives from Black Hills Energy (previously SourceGas) and San Miguel Power Association presented on rebates and efficiency programs available. San Miguel Power Association recently launched an

exciting Income Qualified “IQ” Weatherization and Solar Project, which will help qualifying homeowners and renters in the SMPA service area in reducing their electricity costs.

The 2016 forum was well attended by commercial and residential building managers of local hotel, condo, building management and HOA personnel. The panel discussion shared the latest in building efficiency to aid in saving money for their companies and clients, and to reduce their building’s footprint on the environment. View presentations from the panel on our website at <http://www.ecoactionpartners.org/san-miguel-energy-forum>

San Miguel Energy Forums promote the latest opportunities for lighting, weatherization and general commercial and residential building efficiency, and renewable energy opportunities, and recycling, composting, and special disposal. The EcoAction Partners 2016 San Miguel Energy Forum was sponsored by San Miguel Power Association, Black Hills Energy, San Miguel County, and the Towns of Mountain Village and Telluride.

- **GREEN PROJECTS GRANT PROGRAM**

Green Projects Grant Program was a strategic grant program created by EcoAction Partners and San Miguel County in 2014 to demonstrate how potential funding can be used to measurably reduce greenhouse gases. Utilizing \$100K from a one-time San Miguel County energy impact fee, EcoAction Partners and SMC solicited “incentive grants” that:

- Measurably reduced greenhouse gases,
- Prioritized energy efficiency, and
- Leveraged other funding sources.

Grantee	Project	Annual Kilowatts / Pounds Carbon Saved	Project Lifespan
Town of Mountain Village	New LED fixtures & bulbs for the gondola terminals	105,000 KW / 202,647 lbs. carbon	10 – 15 years
Town of Ophir (2) projects for their town hall	A window and door replacement & a photovoltaic installation	2,028 KW / 3,915 lbs. carbon	25+ years
Telluride School District	New LED parking lot lights & motion sensors tied to classroom lights	37,187 KW / 71,770 lbs. carbon	10+ years
Norwood School District	Replacement of HID lighting to LEDs in the gymnasium, exterior lights, student union & all purpose room	30,268 KW / 58,417 lbs. carbon	15+ years
Ah Haa School for the Arts	New LED fixtures and bulbs for the historic Depot building	12,267 KW / 26,987 lbs. carbon	20+ years
San Miguel Power Association	New LED fixtures and bulbs in the Telluride branch office	14,089 KW / 27,192 lbs. carbon	10 – 15 years
Telluride Historical Museum	New Insulating interior windows, creating a second barrier for the historic single-pane windows	9,601 KW / 18,529 lbs. carbon	25+ years
Residential project	Removal and replacement of a coal burning furnace to a natural gas	Assessment difficult Assumed very significant	Forever
Residential project	LED bulbs	5,207 KW / 10,049 lbs carbon	15-25 years
ANNUAL TOTAL		215,647 KW 419,509+ significant lbs.	

If our government partners are interested, EcoAction Partners can make recommendations on a funding mechanism to continue a jurisdiction-specific Green Projects Grant Program.

- **TRUTH OR DARE SCHOOL PROGRAM**

The *Truth or Dare* program was initially developed as an educational challenge for adults in our community to reduce their carbon footprint and develop lasting habits to decrease the amount of carbon emissions released during daily activities and home life. An equally important goal of the program was to estimate and quantify the amount of carbon emission reductions that were achieved during the course of the program. In 2014, the program was redesigned for 9-13 year olds and teens, and it was introduced to the Telluride Intermediate School with overwhelming approval. Over the course of a week students participate in the elective program earning points for their sustainability efforts. Through carpooling, walking or biking, using reusable containers (instead of single-use disposable bags), taking short showers (< 5 minutes), unplugging electric gadgets when not in use, and recycling, for example, the Telluride Intermediate School students significantly reduced their carbon footprints, saving money, energy, and waste. Since 2014, the program continues to gain traction, with more students participating, and greater carbon savings.

Thus far, in 2016, three intermediate schools in San Miguel & Ouray Counties (Telluride Intermediate School, The Telluride Mountain School, and the Ouray School) have participated. Students at these three schools collectively saved 15,704 pounds of carbon and they had fun doing it! This is the carbon equivalent to over 60,000 miles driven. Leadership students introduced the topic to their peers through skits to get them excited about the program. San Miguel Power Association donated great prizes to incentivize the students to participate. The Norwood and Ridgway Schools will host the program in the fall of 2016. We look forward to more success and greater carbon savings in 2017.

- **GREEN BUSINESS CERTIFICATION PROGRAM**

EcoAction Partners' Green Business Certification is a holistic sustainability certification program designed to engage our regional business community to undertake smart environmental practices, and recognize businesses' accomplishments. The certification program encourages energy efficiency, water conservation, waste diversion, land stewardship and renewable energy. EcoAction Partners works with each business to navigate, identify, prioritize, and select optimal sustainability actions. Once certified, EcoAction Partners showcases businesses' sustainability accomplishments through a variety of marketing tools including: website listings on EcoAction Partners, towns and tourism board websites, window cling, certificate and events.

Certified Businesses and some highlights include:

- Inn at Lost Creek & Talay Grille: 50% Local sustainably-sourced organic food, guest room towel/linen saving program, 75% LED lighting, utility bill tracking, low-flow water fixtures.
- Boot Doctors/Paragon: LED lighting in all 3 stores, recycling of old boots & skis, and active education and engagement of staff in sustainability efforts.
- Fairmont Heritage Place: 100% converted in room washing machines to front loading with 1/3 the water savings, and 80% of shower heads have been replaced to low flow with 1-2 gallon per minute water savings.
- Luminosity: Is LEED Accredited Professional – 5 Completed LEED Projects nationally. In addition, several projects were certified with Green Star, a similar program based in Australia and they purchase carbon offsets for all travel.

- Telluride Naturals: 75% of products are locally crafted, require reusable bag purchase if request bag, all programmable thermostates, and all LED Lighting.
- Jagged Edge: On-site solar PV system, communication with suppliers to reduce packaging, recycling or return of all shipping products, CFL/LED lighting.
- La Cocina de Luz: 70% local sustainably-sourced organic food, on-site restaurant compost program, LED lighting, low-flow water fixtures.
- Alpine Bank (efforts across all offices in Colorado): LED lighting, programmable thermostats, extensive utility bill tracking, SMPA solar farm purchase, and working on tracking travel reduction as a result of videoconferencing use by staff.
- Ah-Haa School: Completed a full LED lighting retrofit, responsible art product reuse/disposal, responsible office management, bathroom remodel with low-flow fixtures.
- Telluride Historical Museum: LED lighting retrofit, storm window installation to reduce energy consumption (awarded Green Grant funding), power-down of all office equipment at night.
- San Miguel Power Association's branch offices in Telluride & Ridgway: New LED lighting & programmable thermostats.
- Telluride Realty & Investment (TRI): This business operates from a sustainably-built, off-grid home on Hastings Mesa that was featured in EcoAction Partners Green Home Tour a few years ago. Their other focus is to promote energy efficient, sustainable homes in the region.
- RIGS Adventure Company in Ridgway, and Guide Garage in Ouray both use energy efficient fixtures among other sustainable practices.
- Others: Hotel Madeline, Telluride Resort Store, Picaya, Alternative Power Solar Enterprises, Lotus Energy Solutions, Reinhart Contracting, and the Wilkinson Public Library.

EcoAction will also be presenting the LED Lighting Program and the Green Certification Program for the Telluride Lodging Association later this month. We are expecting several new Green Businesses and larger hotels to be converting to LED lighting in the coming year.

FESTIVAL CRT SERVICES ON A FEE-FOR-SERVICE BASIS

EcoAction Partners continues to provide festival and event compost, recycling and trash (CRT) services on a fee-for-service basis. In 2016, EcoAction Partners provided CRT services to: Mountain Film, Telluride's Fourth of July Celebration, and Blues and Brews. EcoAction Partners will continue to offer Festival CRT services on a fee-for-service basis.

REGIONAL SPRING/FALL CLEAN UP ASSISTANCE

EcoAction Partners provides assistance with the Town of Telluride and San Miguel County for our region's Spring and Fall Clean-ups by providing paid and volunteer staff as well as promotion and publicity through the EcoAction Partner's newsletter, and phone inquiries.

ON-GOING PARTNERSHIP PROGRAMS

Alpine Bank Energy Efficiency Loan Program

Seeing a need to offer a way for individuals and families to finance energy efficiency improvements for their homes, EcoAction Partners approached Alpine Bank to create a loan product to fill this niche. Loans up to \$8,000 unsecured are available (and greater amounts with collateral) for energy efficiency improvements. The

loan payments can be structured over a length of time so that the energy savings, and thus utility savings, is greater than the loan payment, so the improvements provide a positive cash flow.

Clean Energy Collective

In the past EcoAction Partners has assisted the Clean Energy Collective in sales support for our regional community solar garden. Clean Energy Collective's solar garden is now completely sold out. Once a new renewable energy project comes on-line, EcoAction will continue to partner with this organization to promote sales.

Co-promotion and support for regional sustainability efforts

EcoAction Partners continues to provide support for regional sustainability efforts through marketing and outreach on our newsletter (1,394 subscribers with a 26% open rate), website and other avenues.

Memo

Agenda Item 14

To: Mayor and Town Council
From: James Mahoney
CC: File
Date: July 14, 2016
Re: VCA RFP

As Council is aware of, over the past 10 months, the Town has been approached, unsolicited, by a potential purchaser, through a local real estate agent, about the Town's interest in potentially selling the property commonly known as Village Court Apartments ("VCA"). While these unsolicited offers were not acted on, it has ignited the conversation as to whether or not the Town Council as the Board of Directors for the Mountain Village Housing Authority would be interested in offering VCA for sale as part of a request for proposal or other bidding mechanism in the future.

Due to the very visible and public nature of VCA, the Town Council desired to first engage in a work-session to determine if there was any interest in putting VCA up for sale and if so, what would the goals of such a sale be and could those goals be achieved.

Our office has worked with Town staff to deliver some data points about VCA and set up some potential goals in any sale of VCA for Council to discuss, both of which are outlined in this memo:

VCA Data Points:

1. VCA was constructed in several phases, with the final phase completed in 2007.
2. VCA has 222 total units with 12, three bedroom units, 52, two bedroom units 78, one bedroom units and 88 studio units.
3. The 88 studio units are limited by a deed restriction due to federal grant money and 40 of those can be rented out at 50% AMI with the remaining 48 at 60% AMI. This restriction would carry over to any potential purchaser.
4. A total of \$17,538,392 has been invested in VCA in the form of capitalized investments with the majority of that money coming in the form of bonds and other money coming in the form of grants and through revenue from VCA.

5. The current principal balance as of July 1st, 2016 is \$13,000,221, with estimated accrued interest of \$35,179 and an estimated prepayment penalty of \$1,500,000 for a total of \$14,535,400.
6. VCA's occupancy has been at a near full occupancy for the recent past; however there were years when there was no housing crunch where VCA operated at less than full capacity.
7. There exists within the VCA footprint the ability to build out approximately 28 additional units at VCA. The cost to do so is unknown.
8. The total amount of interest and fees paid to debt service since 2000 is \$9,355,406
9. VCA's debt service does not have an impact on property taxes or other taxes in the Mountain Village as the bonds are revenue bonds, backstopped by the assets.

VCA Sale Goals/Concerns/Discussion Points:

Town staff and our office have put together a list of potential goals and objectives along with concerns that would need to be addressed if the Town Council would be interested in moving forward.

1. Is the goal to generate funds to put towards additional workforce housing projects or simply to eliminate the debt? If the goal is to generate funds the ultimate sale price would have to be well over the \$15,000,000 in order to make any significant progress towards any other future project as the transactions costs in putting together an RFP, negotiating a contract, responding to due diligence, employee transition costs and other costs would quickly eat into any amount in excess of the bond payoff amount.
2. Paying off debt only would not release tax payers of any burden as these are revenue bonds not GO or sales tax type bonds.
3. Does the Town want to give up control of a community asset such as VCA and let a private sector operator control that asset? There are likely positives and negatives that need to be assessed here such as employee concerns, resident concerns, deteriorations etc....
4. Does the Town have interest in controlling rents at VCA in the future even in the event of a sale? Currently only 88 units are officially deed restricted to certain rental levels; however, the Town has always been diligent in trying to keep rents affordable, but given the housing crunch higher rental rates could certainly be a concern. If so, the Town would have to negotiate some type of rent limitation, but that would need to be part of an RFP. Please provide guidance.
5. Would the Town want to retain any of the units specifically for Town employees or would the Town want to retain priority on renting VCA units or for a Town program that subleases units to Town Employees? Some combination of both?
6. How would the Town want to handle Mountain Munchkins which utilizes space at VCA? Mountain Munchkins is a vital service to the Town and surrounding community and with the recent closure of Toddler Town, Mountain Munchkins is the only infant room in the region and is one of two toddler programs with large wait lists. Either a long term lease or carving out the Mountain Munchkins facility into its own unit retained by the Town could be an option. We also need to consider future expansion needs as that has been discussed as a possible need in the future.

7. Is the Town Council willing to expend significant funds in preparing submitting an RFP with a very possible outcome of no bidders meeting the expectations and goals of the Town?
8. VCA does not currently have an onsite manager; however, Mr. Van Nimwegen has been overseeing the property and things have been running relatively smoothly; however, an onsite manger is desired in the near future and hiring one will be difficult if the property is for sale. Town Council needs to consider this.

**SAN MIGUEL AUTHORITY FOR
REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT**

By and among

TOWN OF TELLURIDE, COLORADO

TOWN OF MOUNTAIN VILLAGE, COLORADO

And

SAN MIGUEL COUNTY, COLORADO

Dated as of _____ 2016

Providing for the establishment of the "San Miguel Authority for Regional Transportation" as a Colorado Regional Transportation Authority pursuant to the Colorado Regional Transportation Law, Title 43, Article 4, Part 6, Colorado Revised Statutes, as amended.

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**SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT**

THIS SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION INTERGOVERNMENTAL AGREEMENT (this “Agreement”) is entered into as of _____ 2016 by and among TOWN OF TELLURIDE, COLORADO; TOWN OF MOUNTAIN VILLAGE, COLORADO; and THE UNINCORPORATED AREA ENCOMPASSED WITHIN THE BOUNDARIES OF THE TELLURIDE R-1 SCHOOL DISTRICT of SAN MIGUEL COUNTY, COLORADO; (the “initial Signatories”).

RECITALS

WHEREAS, pursuant to title 43, article 4, part 6, Colorado Revised Statutes, as amended (the “Act”), Colorado counties and municipalities are authorized to establish, by contract, regional transportation authorities, which, upon the satisfaction of the conditions set forth in herein, are authorized to finance, construct, operate and maintain regional transportation systems;

WHEREAS, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended (the “Intergovernmental Relations Statute”), and article XIV, section 18 of the Colorado Constitution, governments may contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility including the establishment of a separate legal entity to do so;

WHEREAS, the Initial Signatories are a Colorado County and certain Colorado municipalities located within the boundaries of San Miguel County constituting the unincorporated area within the Telluride R-1 School District in southwest Colorado that desire to form a regional transportation authority pursuant to the Act and the Intergovernmental Relations Statute for the purpose of financing, constructing, operating and maintaining regional transportation systems consisting of Authorized Transportation Projects described in Section 6.02 herein;

WHEREAS, public transportation is a critical part of the solution to the nation’s economic, energy, and environmental challenges. Regional transportation services enhance and support San Miguel County socially and economically, providing affordable or free transit to the region’s visitors and employee base, and conversely benefit local employers with a reliable workforce;

WHEREAS, every segment of American society including individuals, families, communities and businesses, benefits from public transit, helping to bring a better quality of life to communities;

WHEREAS, in the spirit of regional cooperation the signatories of this Agreement wish to join and coordinate efforts in managing and improving public transit, increasing efficiencies in the short and long term, enhancing reliability and safety, and changing to meet future demand;

WHEREAS, stated goals of all jurisdictions in the region are to improve air quality, reduce green house gas emissions, reduce traffic and congestion, and enhance safety on the limited highway access in the region and in these communities; and

WHEREAS, transit services promote independent living for the elderly and the disabled by providing essential links to medical, social and other services, and the region recognizes the need to improve mobility options for all segments of the population.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the Initial Signatories hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions from the Act. The following terms shall, when capitalized, have the meaning assigned to them in section 602 of the Act: “Bond”, “Combination”, “Construct”, “Construction”, “County”, “Grant”, “Municipality”, “Operations and Maintenance Expenses”, “Person”, “Revenues”, “Regional Transportation Activity Enterprise”, “Regional Transportation System”, “State”.

Section 1.02. Other Definitions. The following terms shall, when capitalized, have the following meanings:

“Act” is title 43, article 4, part 6, Colorado Revised Statutes, as amended

“Administrative Advisory Committee” means a committee appointed by and serving at the direction and pleasure of the Board of Directors pursuant to Section 4.02 herein.

“Advisory Committee” means two or more persons appointed by the San Miguel Authority for Regional Transportation (Authority) pursuant to Article IV herein for the purposes of providing advice to the Board.

“Agreement” means the San Miguel Authority for Regional Transportation Intergovernmental Agreement, as amended from time to time in accordance with the terms herein.

“Alternate Director” means any person appointed as Alternate Director pursuant to Section 3.03 herein.

“Authority” means the San Miguel Authority for Regional Transportation, a political subdivision of and body corporate of the State established pursuant to this Agreement as a regional transportation authority under the Act and as a separate legal entity under the Intergovernmental Relations Statute.

“Authority Sales Tax” means a sales and use tax levied by the Authority in all or any designated portion of the Members in accordance with Section 605(1)(j)(l).

“Authorized Transportation Projects” refers to Specific Responsibilities outlined in Section 6.02 as such projects may be amended from time to time in accordance with Article XI herein, as well as the Regional Transportation Systems as described in §43-4-602(16), C.R.S.

“*Ballot Question/Issue*” is defined in Section 2.04(a) herein, and in §1-1-104(2.3)(2.4), C.R.S.

“*Board*” means the Board of Directors of the Authority.

“*Boundaries*” means the boundaries of the Authority determined in accordance with Appendix A herein, as such Appendix and term may be amended from time to time in accordance with Article XI herein.

“*Director*” means any person appointed as such pursuant to Section 3.02 herein. Whenever the person appointed as a Member’s Director is absent from a Board meeting, the term “Director” shall mean the “Alternate Director”, if any, appointed by such Member pursuant to Section 3.03 herein.

“*Division of Local Government*” means the Division of Local Government in the State Department of Local Affairs.

“*Governing Body*” means, when used with respect to a Member, the town council, the board of trustees, board of commissioners or other legislative body, as appropriate, of such Member.

“*Initial Boundaries*” means the Boundaries of the Authority on the date the Authority is established pursuant to Article II herein, as such Initial Boundaries are determined in Accordance with Appendix A herein.

“*Initial Members*” means the Initial Signatories who become Members on the date on which the Authority is originally established pursuant to Section 2.05 herein.

“*Initial Signatories*” means the Municipalities and Counties that are signatories to this Agreement in its original form.

“*Intergovernmental Relations Statute*” refers to the statute that authorizes local governments to enter into agreements (§29-1-203, C.R.S).

“*Member*” means (a) the Initial Members and (b) any Municipality or County that becomes a Member of the Authority pursuant to Section 8.03 herein.

“*Officers*” means the Chair, Vice Chair, Secretary, or Treasurer of the Authority, and any subordinate officer or agent appointed and designated as an officer of the Authority or the Board.

“*Regional Transit Services*” means the transit services described in Appendix D herein, as may be amended from time to time in accordance with Article XI herein, and included within the “Regional Transportation System” as defined at §43-4-602(16), C.R.S.

“*Transit*” means conveyance of residents, visitors, or workers via publicly or privately operated motorized vehicle transport systems, including but not limited to bus, van, or aerial tramway (gondola).

“*Transportation*” means any property, improvement or system related to the conveyance people or goods including but not limited to bridges, roadways, trails, motorized or non-motorized vehicles, aerial tramway (gondola), or train.

ARTICLE II

ESTABLISHMENT OF THE AUTHORITY AND INITIAL MEMBERS

Section 2.01. Establishment. The San Miguel Regional Authority for Transportation (SMART) shall be established as a separate political subdivision and body corporate of the State pursuant to the Act and as a separate legal entity created by a contract among the Initial Members pursuant to the Intergovernmental Relations Statute, effective upon satisfaction of the following conditions:

- (a) Each Initial Member (i) has held at least two public hearings on the SMART Agreement in accordance with §603(3), (ii) has submitted this Agreement for review and comment in accordance with §43-4-603(1.5), C.R.S. to the Colorado Department of Transportation, those counties and municipalities that border the Authority's boundaries; and (iii) has executed this Agreement (which execution shall constitute a representation by such Initial Member to the other Initial Members that the executing Initial Member has held the public hearings required by §603(3) and that Governing Body of such Initial Member has duly authorized its execution, delivery and performance of this Agreement);
- (b) This Agreement has been approved by a majority of the registered electors residing within the Initial Boundaries of the Authority at the time of the election who voted in the general election or special election called for such purpose in accordance with § 603(4); and
- (c) The Director of the Division of Local Governments has issued a certificate pursuant to § 603(1) stating that the Authority has been duly organized according to the laws of the State and such certificate has been recorded in the legal real estate records of San Miguel County pursuant to §603(1).

Section 2.02. Purpose. The purpose of the Authority is to coordinate, plan, finance, construct, operate and maintain a regional multi-modal transportation system within or outside the Boundaries of the Authority.

Section 2.03. Boundaries. The Initial Boundaries of the Authority shall be determined in accordance with Appendix A herein. Any territory included in the Boundaries of the Authority because the territory is included in the boundaries of a Municipality shall automatically be amended to include any territory annexed to the Municipality.

Section 2.04. Voter Approval.

(a) The Initial Signatories agree to submit ballot questions and/or ballot issues seeking voter approval of the establishment of the Authority herein at elections to be conducted on the 8th day of November, 2016 in accordance with the Act and other applicable law (the "Election"). Three separate ballot questions, which are hereafter referred to by the names indicated below and drafts of which are attached herein as Appendixes C-1 through C-4, shall be submitted to the registered electors of the following described areas within the boundaries of the Initial Signatories:

- (i) the "San Miguel County Establishment Question", a draft of which is attached herein as Appendix C-1, shall be submitted to San Miguel County

registered electors residing within the unincorporated area within the proposed Authority Boundary;

(ii) the “Town of Telluride Establishment Question”, a draft of which is attached herein as Appendix C-2, shall be submitted to the registered electors of the Town of Telluride;

(iii) the “Town of Mountain Village Establishment Question”, a draft of which is attached herein as Appendix C-3, shall be submitted to the registered electors that are residents of the Town of Mountain Village;

(iv) the “Town of Mountain Village Funding Question”, a draft of which is attached hereto as Appendix C-4, shall be submitted to the registered electors of the Town of Mountain Village.

(b) With the intent to put forth these measures as a coordinated election under the Clerk of San Miguel County, the Governing Body of each of the Initial Signatories named in the title of each ballot question shall take all actions necessary to submit such questions to the appropriate registered electors at the Election but may modify the ballot questions submitted by it in any manner that is consistent with the terms of this Agreement and the ballot questions/issues attached herein in Appendices C-1 through C-4. Any Governing Body’s modification(s) to a ballot question that are inconsistent with the terms of this Agreement and the attached appendices shall require the written consent of each of the other Initial Signatories prior to its submittal to that body’s registered electors. The designated election official for a coordinated election shall be the San Miguel County Clerk and Recorder.

(c) Each Initial Signatory shall pay the costs of conducting the election within its boundaries. For the purposes of allocating such costs, costs allocable to electors who reside in, or are properly registered to vote in a municipality shall be allocated to the municipality in which they reside or are registered to vote, and costs allocable to electors who reside in unincorporated areas shall be allocated to the county in which they reside.

Section 2.05. Initial Members. The Initial Signatories whose participation in the Authority is authorized by a majority of the registered electors voting on the ballot questions indicated below shall be the Initial Members of the Authority on the date the Authority is originally established pursuant to the Agreement:

(a) Unincorporated San Miguel County within the boundaries of the Telluride R-1 School District will be an Initial Member if a majority of the San Miguel County registered electors voting thereon approve the San Miguel County Establishment Question;

(b) Town of Telluride will be an Initial Member if a majority of the Town of Telluride registered electors voting thereon approve the Town of Telluride Establishment Question;

(c) Town of Mountain Village will be an Initial Member if a majority of the Town of Mountain Village registered electors that are legal residents of the Town of Mountain Village voting thereon approve the Town of Mountain Village Establishment Question, and if a majority of the Town of Mountain Village registered electors approve the Town of Mountain Village Funding Question;

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Establishment and Powers. The Authority shall be governed by a Board of Directors as described in this Article. The Board shall exercise and perform all powers, privileges and duties vested in or imposed on the Authority, subject to the provisions of this Agreement and §604(1)(a) of the Act.

Section 3.02. Directors. The Board shall be composed of two regular Directors appointed by each Member from the Town of Telluride, the Town of Mountain Village and San Miguel County.

Section 3.03. Alternate Directors. In addition to the Director(s) appointed by it, each Member shall appoint one Alternate Director who shall be deemed to be such Member's Director for all purposes, including, but not limited to, voting on resolutions whenever the person appointed as such Member's Director is absent from a Board meeting.

Section 3.04. Appointment of Directors and Alternate Directors. As required by §603(2)(b)(I) of the Act, each of the Director(s) and the Alternate Director appointed by a Member shall both be elected officials of the Governing Body of such Member and shall be appointed as a Director or Alternate Director by the elected officials of the Governing Body of such a member.

Section 3.05. Terms of Office. The term of office of each Director and Alternate Director shall commence with the first meeting of the Board following his or her appointment and shall continue until (a) the date on which a successor is duly appointed or (b) the date on which he or she ceases to be a member of the Governing Body of the appointing Member.

Section 3.06. Resignation and Removal. Any Director or Alternate Director (a) may resign at any time, effective upon receipt by the Secretary or the Chair of written notice signed by the person who is resigning; and (b) may be removed at any time by the Governing Body of the Member that appointed him or her, effective upon receipt by the Secretary or the Chair of written notice signed by the Governing Body of the appointing Member.

Section 3.07. Vacancies. Vacancies in the office of any Director or Alternate Director shall be filled in the same manner in which the office was originally filled pursuant to Section 3.04 herein.

Section 3.08. Compensation. Directors and Alternate Directors shall serve without compensation, but may be reimbursed for expenses incurred in serving in such capacities upon such terms and pursuant to such procedures as may be established by the Board.

Section 3.09. Resolution and Voting. All actions of the Board shall be by written resolution. Except as otherwise provided in Section 3.10 herein, resolutions of the Board shall be adopted upon the affirmative vote at an open and noticed public meeting of at least a simple majority of the Directors then in office who are eligible to vote on the measure. A minimum vote of two-thirds of the Directors then in office is required per §43-4-605(2)(II) C.R.S. in the case of adding territory and members to the Authority. The Authority shall provide at least 48 hours' written notice of meetings to each Director and Alternate Director and to the Governing Body of

each Member. Notwithstanding any other provision herein, a Director shall disqualify himself or herself from voting on any issue with respect to which he or she has a conflict of interest, unless he or she has disclosed such conflict of interest in compliance with §18-8-308 and 24-18-101 et seq., C.R.S., as amended.

Section 3.10. Special Rules Regarding Adoption of the Authority's Annual Budget. Notwithstanding Section 3.09 herein, if the Board fails to approve the Authority's annual budget by resolution adopted in accordance with Section 3.09 herein by the end of the immediately preceding fiscal year of the Authority or any earlier date required by State law, until an annual budget is adopted, the Authority's budget for such year shall be the prior year's budget, with adjustments approved by a majority of the Directors then in office who are eligible to vote thereon that, in the aggregate, do not exceed the sum of "inflation" and the Authority's "local growth" as determined in accordance with Article X, §20(2)(f) and (g) of the Colorado Constitution. The procedures set forth in this Section may be modified by bylaws or rules adopted in accordance with Section 3.12 herein.

Section 3.11. Powers of the Board. The Board shall, subject to the limitations set forth herein, have (a) all powers that may be exercised by the board of directors or a regional transportation authority pursuant to the Act, including, but not limited to, the powers conferred by section 604(1) and (3) of the Act, and (b) all powers that may be exercised by the governing board of a separate legal entity that has been lawfully created by a contract among the Members pursuant to the Intergovernmental Relations Statute.

Section 3.12. Bylaws and Rules. The Board, acting by resolution adopted as provided in Section 3.09 herein, shall adopt bylaws or rules governing the activities of the Authority and the Board, including, but not limited to, bylaws or rules governing the conduct of Board meetings, voting procedures, the type of resolutions that must be in writing and procedures for the resolution of issue on which a simple or super majority cannot be obtained in accordance with Section 3.09 herein.

Section 3.13. Additional Directors. Notwithstanding any other provision herein, in order to comply with the provisions of §603(2)(b)(I) requiring a minimum of five Directors, if at any time there are fewer than five appointed Directors, then the underrepresented Member shall appoint an additional Director from the elected governing body of their jurisdiction within thirty days of the vacancy.

Section 3.14. Board Officers. The Board shall elect a Chair, a Vice Chair, a Secretary, and a Treasurer. The offices of Chair and Secretary may not be held by the same person.

(a) Chair. The Chair shall have the power to call meetings of the Board; the power to execute, deliver, acknowledge, file and record on behalf of the Authority such documents as may be required by this agreement, the Act or other applicable law; and such other powers as may be prescribed from time to time by the Board. The Chair may execute and deliver contracts, deeds and other instruments and agreements on behalf of the Authority as are necessary or appropriate in the ordinary course of its activities or as are duly authorized or approved by the Board. The Chair shall have such additional authority, powers and duties as are appropriate and customary for the office of the chair of the board of directors or entities such as the Authority, and as the Board may otherwise prescribe.

(b) Vice Chair. The Vice Chair shall be the Officer next in seniority after the Chair and, upon the absence of the Chair, shall have the authority, powers and duties of the Chair. The Vice Chair shall have such additional authority, powers and duties as are prescribed by the Board.

(c) Secretary. The Secretary shall give, or cause to be given, notice of all meetings (including special meetings) of the Board, keep written minutes of such meetings, have charge of the Authority's seal, be responsible for the maintenance of all records and files and the preparation and filing of reports to governmental agencies (other than tax returns), have authority to impress or affix the Authority's seal to any instrument requiring it (and, when so impressed or affixed, it may be attested by his or her signature), and have such other authority, powers and duties as are appropriate and customary for the office of the secretary of entities such as the Authority, and as the Board may otherwise prescribe. If a Treasurer has not been elected, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer.

(d) Treasurer. Subject to rules and procedures established by the Board, the Treasurer shall be responsible or shall cause a designee of the Board to be responsible for custody of the funds and all stocks, bonds and other securities owned by the Authority and shall be responsible for the preparation and filing of all tax returns, if any, required to be filed by the Authority. The Treasurer shall receive all moneys paid to the Authority and subject to any limits imposed by the Board or the Chair, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in the Authority's name and on the Authority's behalf, and to give full discharge for the same. The Treasurer shall also have charge of disbursements of the funds of the Authority, shall keep full and accurate records of the receipts and disbursements, and shall deposit all moneys and other valuables in such depositories as shall be designated by the Board. The Treasurer shall deposit and invest all funds of the Authority in accordance with this Agreement and laws of the State applying to the deposit and investment of funds or regional transportation authorities formed under the Act. The Treasurer shall have such additional authority, powers and duties as are appropriate and customary for the office of Treasurer of entities such as the Authority, and as the Board may otherwise prescribe. If a Treasurer has not been elected, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer.

ARTICLE IV

ADMINISTRATIVE AND ADVISORY COMMITTEES

Section 4.01. Generally. The Board, in accordance with §43-4-604(3)(h), C.R.S., has the power to appoint advisory committees related to the operations and planning of regional transportation and define the duties thereof.

Section 4.02. Administrative Advisory Committee. The Board shall appoint members to an Administrative Advisory Committee serving at the direction and pleasure of the Board. The term durations, number of members and makeup of the Administrative Advisory Committee will be determined and approved by a resolution of the Directors. The purpose of Administrative Advisory Committee will include but not be limited to advising on the Authority annual budget, operations and long range planning for Board adoption. Directors, Alternate Directors or Officers of the Authority shall not be members of the Executive Advisory

Committee. The Administrative Advisory Committee shall not be authorized to exercise any power of the Board.

Section 4.03. Other Advisory Committees. The Board may appoint and maintain other Advisory Committees to develop recommendations with respect to policy, planning and service matters. The members of Advisory Committees may be citizens, business and resort representatives, other regional government or public agencies that represent service area outside the boundaries of the Authority. Directors or Alternate Directors of the Authority may participate in these Advisory Committees. Advisory Committees shall not be authorized to exercise any power of the Board.

ARTICLE V

PERSONNEL

Section 5.01 Generally. Personnel will be at-will employees of the Authority including but not limited to an administrator and/or finance manager. Employees shall be recruited in an open process in accordance with equal opportunity employment requirements that prohibit discriminatory hiring practices based on age, race, gender, disability or religion or any other status protected by federal or state law.

Section 5.02. Administrator. The Administrator shall be the chief executive officer of the Authority, shall supervise the activities of the Authority, shall see that all policies, directions and orders of the Board are carried out and shall, under the supervision of the Board, have such other authority, powers or duties as may be prescribed by the Board. The administrator will hire and supervise staff for the Authority based on approved budget allocations for such positions.

Section 5.03. Powers and Duties. Notwithstanding any other provision of this Article, the Board at any time may expand, limit or modify the powers and duties of any employee.

Section 5.04. Vacancies. Vacancies in the office of any employee shall be filled in the same manner in which such office was originally filled.

Section 5.05. Compensation. The Authority shall determine the compensation of employees for services performed, and may reimburse them for expenses incurred, in serving in such capacities upon such terms and procedures as may be established by the Board.

ARTICLE VI

POWERS OF THE AUTHORITY

Section 6.01. General Grant of Power. The Authority shall, subject to limitations set forth herein, have (i) all powers granted by the Act to regional transportation authorities and (ii) all powers that may be exercised by a separate legal entity created by a contract among the Members pursuant to the Intergovernmental Relations Statute. Such powers shall include, but shall not be limited to:

- (a) the specific powers described in §42-4-605,C.R.S.;
- (b) the power to establish Regional Transportation Activity Enterprises in accordance with §42-4-606,C.R.S.;

- (c) the power to establish local improvement districts in accordance with §42-4-608, C.R.S.;
- (d) the power to issue bonds in accordance with §42-4-609, C.R.S.;
- (e) the power to cooperate with any person or entity as provided in §42-4-610, C.R.S.;
- (f) the power to invest or deposit funds as provided in §42-4-616, C.R.S.; and
- (g) the power to petition for a judicial examination and determination of any power, act, proceeding or contract of the Authority as provided in §42-4-620, C.R.S.

Section 6.02. Specific Responsibilities. In addition to the general powers described in Section 6.01 herein, the Authority shall have the responsibilities described in this Section and shall have all powers necessary to carry out such responsibilities, subject to the availability of funds and, to the extent required by law, annual appropriation of funds by the Board. The description of specific responsibilities and powers in this Section shall not, however, limit the general powers of the Authority described in Section 6.01 herein.

- (a) **Regional Transit Services.** The Authority shall coordinate and may operate and fund Regional Transit Services as described in Appendix D, the Initial Service Plan, as may be amended from time to time per Article XI herein.
- (b) **Contract Transit Services.** The Authority may enter into contracts with any Member or other person or entity for the provision of transit services in the manner and subject to the terms of such contracts.
- (c) **Regional Transportation Planning.** The Authority shall engage in annual regional transportation planning to direct the Authorized Transportation Projects, pursue local, federal or state funding and coordinate overall transportation policy within the area in which it provides transit services. Regional transportation planning shall, as determined by the Board, include short range service and infrastructure planning as well as long range planning, corridor investment studies and related impact analyses.
- (d) **Planning, Construction and Maintenance of Regional Trails and Pedestrian Infrastructure.** The Authority may provide planning and funding support for regional public trail maintenance, improvement and construction, -in cooperation with Members, advisory groups and other agencies including but not limited to the USFS, BLM and CDOT. The emphasis will be on multi-modal trails that provide improved accessibility and connections between transit nodes, population centers and communities.
- (e) **Local Service.** The Authority may operate Authorized Transportation Projects of a Member jurisdiction (as distinguished from regional services) except as otherwise specifically provided herein, only pursuant to an agreement to which such Member pays the Authority for the services provided on the same fully allocated cost basis otherwise used to determine costs of services throughout the Authority's service area.
- (f) **Aerial Tramway (Gondola).** The Authority may plan for transitioning operations, maintenance, capital improvements, and the funding required for such functions of the Telluride-Mountain Village Gondola system (the "Gondola") to the Authority by December 31, 2027.

1) Capital Expenses. The Authority may fund capital expenditures that have a useful life that extends beyond December 31, 2027. In such an event the Authority would fund the portion of the capital expense that is projected to extend beyond December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for capital expenditures for enhanced Gondola operations prior to December 31, 2027 above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999.

2) Operational Expenses. The Authority may aggregate funds from Members related to the operation for the Gondola prior to December 31, 2027, but the Authority may not expend such funds for operations prior to December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for enhanced Gondola operations above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999, nor shall this limitation preclude the Authority from expending local, state or federal grants for the operation of the Gondola.

Nothing in this Section 6.02(f)(2) shall be construed as obligating Authority tax revenue to fund operational expenses up to the legal minimum service standards of the Gondola prior to December 31, 2027.

Notwithstanding any of the foregoing, it is an objective of the Authority to assure the ongoing operation of the Gondola beyond December 31, 2027.

(g) Transportation Related Infrastructure. The Authority may assume the maintenance of existing facilities and may develop new park-and-ride facilities, transit stops, vehicle maintenance garages, trails, or other necessary infrastructure related to operations under the purview of the Authority.

(h) Roadway Maintenance & Improvements

(i) Rail Projects and Service

Section 6.03. Limitations on Powers of the Authority. Notwithstanding Sections 6.01 and 6.02 herein, the powers of the Authority shall be limited as follows:

(a) the Authority may only finance, construct, operate and maintain authorized transportation projects;

(b) Advisory Committees may only be appointed and may only exercise the powers as provided in Article IV herein;

(c) no action to establish or increase a tax or to create a multiple fiscal year debt or other financial obligation that is subject to §20(4)(b) of article X of the State Constitution shall take effect unless first submitted to a referendum vote in accordance with §42-4-612 of the Act;

(d) the Board shall deliver notice of any proposal to establish, increase or decrease any tax to any County or Municipality where the proposed tax or fee would be imposed in accordance with §42-4-613 of the Act; and

(e) a notice of the imposition of or any increase in any fee or tax or the issuance of Bonds shall be sent to the Division of Local Government and shall be filed with the State Auditor and the State Transportation Commission in accordance with §42-4-614 of the Act.

Section 6.04. Existing Transit Services. The Authority shall not assume responsibility for the operation, funding or maintenance of any transit services provided by a member as set forth in Appendix D without the approval of that Member and of the Authority.

ARTICLE VII

FUNDING THE AUTHORITY

Section 7.01. Baseline Funding. The baseline funding of the Authority can be provided from the following sources pursuant to §43-4-605(1), 612, 613, and 614, C.R.S.:

- (a) A sales or use tax or both up to 1% with voter approval.
- (b) A property tax mill levy of up to 5 mils with voter approval.
- (c) A visitor benefit tax up to 2% with voter approval.
- (d) An annual motor vehicle registration fee of not more than ten dollars for each motorized vehicle registered with the San Miguel County Clerk and Recorder by persons residing within the boundaries of the Authority and stipulations as otherwise authorized by the Act. This fee can be imposed without further voter approval.

Section 7.02. Discretionary Member Contributions. A Member jurisdiction may make funding contributions, provide in-kind services or pay costs that otherwise would have been paid by the Authority (referred to as a “Discretionary Member Contribution”). Discretionary member contributions will be subject to Board approval on a case-by-case basis. The Authority will make a good faith effort to grant such Member a credit against other contributions or contract service payments to the Authority by or on behalf of such Member, in an amount equal to the discretionary member contribution.

Section 7.03. Mitigation of Development Impacts. The Authority acknowledges that regional land use development has an impact upon local and regional traffic congestion and the availability of parking. They further agree that improved transit services and infrastructure are a means for mitigating such impacts. Accordingly, Member jurisdictions shall provide recommendations for the appropriate planning and zoning boards to address transit based mitigation of the projected traffic impacts of a new development within their jurisdiction. Members shall provide recommendations regarding the means by which that the mitigation is imposed. This can include ordinance-based transit impact fees, conditions for approval imposed upon individual development projects, or other means. Funds derived from such mitigation may be remitted to the Authority to offset capital or operational costs and outlays associated with providing regional transit services to the Member.

Section 7.04. Pursuit of Grants. The Authority shall actively pursue grants to support its activities, including grants for offsetting operating and capital expenditures, long range planning and environmental review. The Authority shall also cooperate and assist Members in their pursuit of grants for transportation projects.

Section 7.05. Capital Projects and Bonds.

The Authority may fund capital projects by the issuance of Authority Bonds pursuant to §43-4-609 if voter approval is obtained for the issuance of such bonds as required §43-4-612(2);

through lease purchase agreements or other arrangements permitted by, and subject to compliance with the applicable provisions of State and Federal law; or through one or more agreements with one or more Members. Regional Transportation Enterprises pursuant to §43-4-606 do not require voter approval.

Section 7.06. No Implied Limits on Powers. Except as otherwise specifically provided, no provision of this Article shall limit the Authority's powers under the Act.

ARTICLE VIII

MEMBERS

Section 8.01. Initial Members. The Initial Members shall be the Initial Signatories whose participation in the Authority is approved by its registered electors at the November 8TH 2016 election as described in Section 2.05 herein.

Section 8.02. Withdrawal of Initial Members.

(a) An Initial Member may withdraw from the Authority only if:

(i) Any Ballot Questions required for the establishment of the Authority under Section 2.04 herein are not approved at the initial Election by a majority of the electors voting thereon; or

(ii) If a Ballot Question regarding the establishment of the Authority fails within the jurisdictional boundaries of one or more of the Initial Signatories, the Governing Body of an Initial Member where a Ballot Question has passed may, subsequent to the initial Election adopt a resolution or ordinance, and deliver written notice to all the other Initial Members, stating that such Initial Member has withdrawn from the Authority.

(iii) Members may only withdraw from the Authority subject to the conditions set forth in this Section. In particular none of the Initial Signatories may withdraw from the Authority if all three ballot measures described in Section 2.04(a) herein are approved by a majority of the registered electors voting thereon.

(b) If an Initial Member withdraws from the Authority pursuant to subsection (a) of this Section:

(i) the territory within the boundaries of such Initial Member will be excluded from the Boundaries of the Authority and Appendices A and B shall be amended.

(ii) the obligations of such Initial Member set forth in the Agreement shall terminate.

Section 8.03. Additional Members. Any County or Municipality or portion thereof, which is not an Initial Member of the Authority, may become a Member (for purposes of this Section, a "new Member") effective upon:

(a) the adoption of a resolution of the Board in accordance with Section 3.09 herein, the effectiveness of which may be conditioned by agreement and compliance of such new

Member with any conditions which the Board, in its sole discretion, sees fit to impose;

(b) unless the new Member is the State, approval of such new Member's participation in the Authority by the electors residing within the territory of the new Member that is to be included in the Boundaries of the Authority; and

(c) compliance with any other conditions to the admission of such new Member as a Member or its execution of the amended Agreement imposed under the Act, the Intergovernmental Relations Statute or any other applicable law.

Section 8.04 Future Elections. Non-resident property owners within the Town of Mountain Village who constitute registered electors within the Town of Mountain Village shall be eligible to vote on future ballot questions arising under §612(1) of the Act (a referendum election to establish or increase any tax authorized by the Act). However, non-resident property owners shall not be eligible to vote on future ballot questions arising under §612(2) of the Act (a referendum election to create a multiple fiscal year debt or other financial obligation that is subject to §20(4)(b) of article X of the State Constitution). In recognition of the restriction to be placed on the Town of Mountain Village's non-resident registered electors, which by the terms of this Agreement, shall not be entitled to vote on any question arising under §612(2) of the Act, it is the intent of the Members herein that, to the extent possible, future elections be limited to such issues that recognize and permit the enfranchisement of all registered electors within the boundaries of the Authority, including the non-resident property owners of the Town of Mountain Village.

ARTICLE IX

TERM AND DISTRIBUTION OF ASSETS UPON TERMINATION

Section 9.01. Effective Date. The term of the Agreement shall begin when all the conditions to the establishment of the Authority set forth in Section 2.01 herein have been satisfied.

Section 9.02. Termination. The term of this Agreement shall end when all the Members agree in writing to terminate this Agreement provided, however, that this Agreement may not be terminated so long as the Authority has any Bonds outstanding.

Section 9.03. Distribution of Assets Upon Termination. Upon termination of this Agreement pursuant to Section 9.02 herein, after payment of all Bonds and other obligations of the Authority, the net assets of the Authority shall be distributed to the parties who are Members at such time in proportion to the sum of:

(a) the amount of cash and the value of property and services contributed by them to the Authority pursuant to Article VII and VIII herein minus the amount of cash and the value of property previously distributed to them by the Authority and

(b) the unexpended amount of collected Authority approved and imposed taxes or other charges, other than fares paid by the taxpayers of a Member to the Authority. Taxes or other charges paid by residents of areas of Counties which are also located within a Municipality will be allocated 100% to the Municipality for such purposes.

ARTICLE X

DEFENSE OF DIRECTORS, OFFICER, MEMBERS OF ADVISORY COMMITTEES AND EMPLOYEES

The Authority shall insure and defend each Director, Officer, member of an Advisory Committee and employee of the Authority in connection with any claim or actual or threatened suit, action or proceeding (civil, criminal, or other, including appeals), in which he or she may be involved in his or her official capacity by reason of his or her being or having been a Director, Officer, member of a Committee or employee of the Authority, or by reason of any action or omission by him or her in such capacity. The Authority shall insure and defend each Director, Officer or member of a committee and employee of the Authority against all liability, costs and expenses arising from any such claim, suit or action, except any liability arising from criminal offenses or willful misconduct or gross negligence. The Authority's obligations pursuant to this Article shall be limited to funds of the Authority available for such purposes, including but not necessarily limited to insurance proceeds. The Board may establish specific rules and procedures for the implementation of the Article.

ARTICLE XI

AMENDMENTS

Section 11.01. Amendments Generally. This Agreement may be amended upon unanimous consent of all Members and only by resolution of the Board. Such consent shall first be manifested by a majority affirmative vote of the governing bodies of each Member.

Section 11.02. Amendments to Boundaries. The Initial Boundaries outlined in Appendix A "Determination of the Boundaries of the Authority" herein, may be amended in accordance with Section 11.01 herein and with the required approval of the registered voters of any municipal or unincorporated portion of a county proposed to be added to the territory of the Authority. For purposes of this Section, territory of a Member that is a Municipality shall include territory within such Municipality's boundaries or within such Municipality's comprehensive planning area of influence as established as of the date to first set forth above, but shall not include any territory which has previously been included within the incorporated boundaries of another Municipality.

Section 11.03. Modification of Appendices C-1 through C-4. Notwithstanding any other provision herein, any ballot question attached herein as Appendix C-1 through C-4 may be modified by the Governing Body of the Initial Signatory responsible for submitting such ballot question to the electors as provided in Section 2.04 herein.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Adoption and Execution of Agreement in Accordance with Law. Each Initial Signatory hereby represents to each other Initial Signatory that it has adopted and executed this Agreement in accordance with applicable law.

Section 12.02. Parties in Interest. There are no expressed or implied third party beneficiaries to this Agreement.

Section 12.03. No Personal Liability. No covenant or agreement contained in this Agreement or any resolution or bylaw issued by the Board shall be deemed to be a covenant or agreement of an elected or appointed official, officer, agent, servant or employee of any Member in his or her individual capacity.

Section 12.04. Notices. Except as otherwise provided in this Agreement, all notices, or other communications by the Authority, any Member, any Personnel or any member of an Advisory Committee, to any other such person pursuant to the Agreement shall be in writing; shall be given a reasonable period of time to be posted or otherwise publically noticed.

Section 12.05. Assignment. None of the rights or benefits of any Member may be assigned, nor may any of the duties or obligations of any Member be delegated without the express written consent of all the Members.

Section 12.06. Severability. In any clause, provision, subsection, Section or Article of the Agreement shall be held to be invalid, illegal or unenforceable for any reason, the invalidity, illegality or enforceability of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions of this Agreement.

Section 12.07. Interpretation. Subject only to the express limitations set forth herein, this Agreement shall be liberally construed in accordance with the stated purposes of the Agreement and the applicable provisions of the Act.

Section 12.08. Governing Law. The laws of the State shall govern the construction and enforcement of the Agreement. Venue for purposes of any litigation arising under this Agreement shall only be proper in the San Miguel County District Court.

Signature Page

To

SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT

Dated as of _____ 201

ATTEST:

TOWN OF TELLURIDE, COLORADO

Telluride Town Clerk

By: _____

Printed Name: _____

Title: _____

ATTEST:

TOWN OF MOUNTAIN VILLAGE, COLORADO

Mountain Village Town Clerk

By: _____

Printed Name: _____

Title: _____

ATTEST:

SAN MIGUEL COUNTY, COLORADO

San Miguel County Clerk to the Board

By: _____

Printed Name: _____

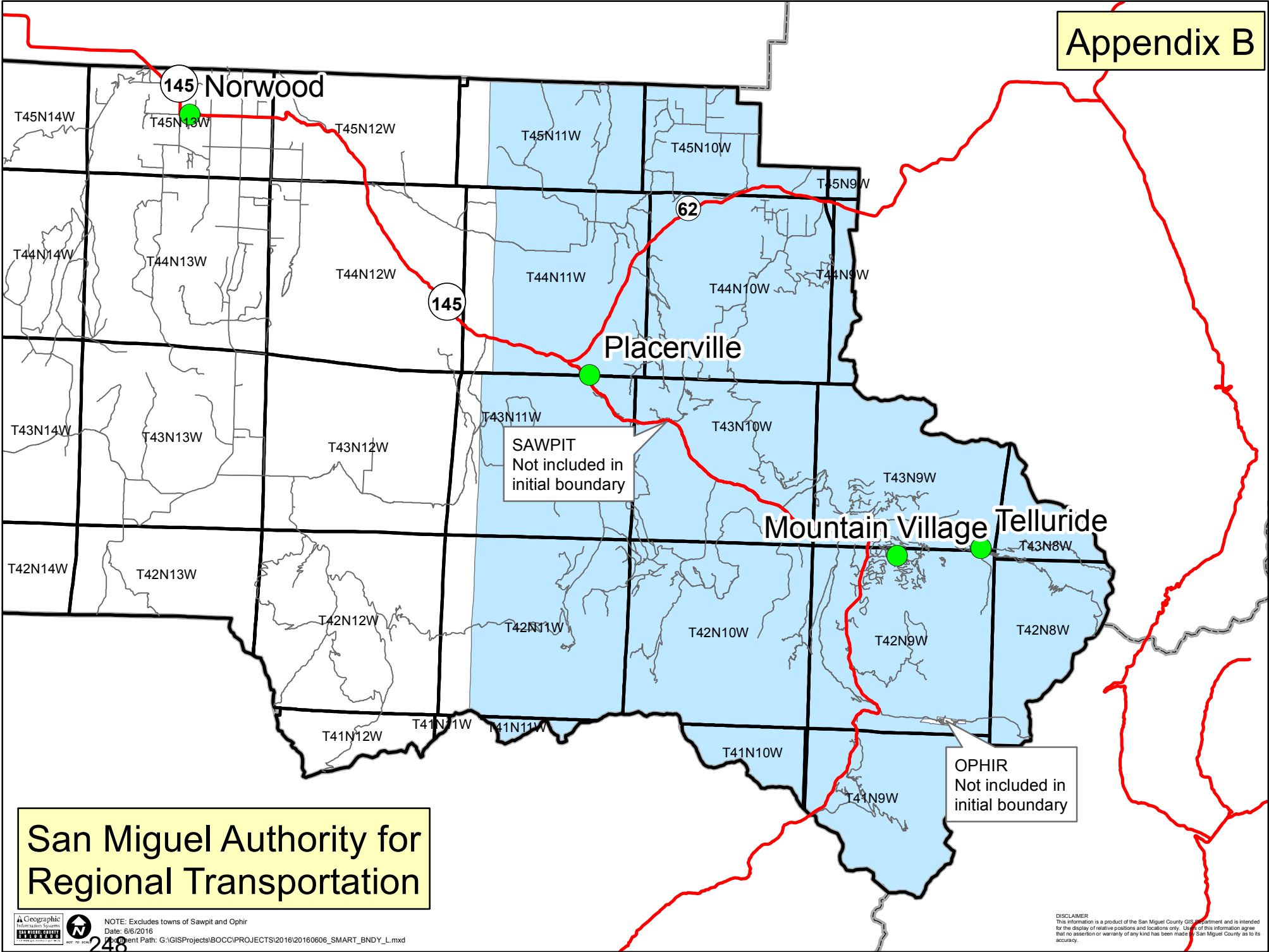
Title: _____

APPENDIX A

DETERMINATION OF BOUNDARIES OF THE AUTHORITY

The Initial Boundaries of the Authority shall consist of:

1. If the Authority is approved by a majority of the registered electors of the Town of Telluride voting thereon at the Election, all territory within the Town of Telluride and all territory subsequently annexed to the Town of Telluride.
2. If the Authority is approved by a majority of the registered electors of the Town of Mountain Village voting thereon at the Election, all territory within the Town of Mountain Village and all territory subsequently annexed to the Town of Mountain Village.
3. If the Authority is approved by the majority of registered electors of the unincorporated territory of San Miguel County within election precincts (as defined of the date herein) existing within the Telluride R1 School District as defined in boundary map Appendix B, voting thereon at the Election.



San Miguel Authority for Regional Transportation



NOTE: Excludes towns of Sawpit and Ophir
Date: 6/6/2016

Document Path: G:\GISProjects\BOCCI\PROJECTS\2016\20160606_SMART_BNDY_L.mxd

DISCLAIMER
This information is a product of the San Miguel County GIS Department and is intended for the display of relative positions and locations only. Users of this information agree that no assertion or warranty of any kind has been made by San Miguel County as to its accuracy.

DRAFT

Town of Telluride, Colorado

Draft Possible Ballot Question for Formation of San Miguel Authority for Regional

Transportation and San Miguel Authority for Regional Transportation TABOR

Ballot Question on 0.25% Sales Tax and 0.75 Mill Levy Tax Increase

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND SHALL SMART BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

DRAFT

APPENDIX C-3

**TOWN OF MOUNTAIN VILLAGE
ESTABLISHMENT BALLOT QUESTION**

**BALLOT MEASURE CONCERNING THE ESTABLISHMENT AND FUNDING OF
SMART WITHIN THE BOUNDARY DESIGNATED IN THE IGA AUTHORIZING THE
CREATION OF SMART**

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND SHALL SMART BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES/FOR _____ NO/AGAINST _____

APPENDIX C-4

TOWN OF MOUNTAIN VILLAGE
FUNDING BALLOT QUESTION

BALLOT MEASURE CONCERNING THE FUNDING OF SMART WITHIN THE
BOUNDARY DESIGNATED IN THE IGA AUTHORIZING THE CREATION OF
SMART

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND PROVIDED THAT THE REGISTERED ELECTORS OF THE TOWN OF TELLURIDE, THAT PORTION OF THE UNINCORPORATED AREA OF SAN MIGUEL COUNTY LOCATED WITHIN THE BOUNDARIES OF THE PROPOSED SMART AND THE RESIDENT REGISTERED ELECTORS OF THE TOWN OF MOUNTAIN VILLAGE APPROVED SMART TO BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES/FOR _____ NO/AGAINST _____

APPENDIX D

INITIAL SERVICE PLAN

1. The Authority shall strive to deliver safe and reliable public transit services, and to consistently advocate and promote the use of multi-modal transit systems.
2. The Authority shall engage in comprehensive long range transportation planning under the direction of the San Miguel Authority for Regional Transportation Board with participation from the Advisory Committees and other regional stakeholders. Within the long range transportation planning process, an initial service plan shall be developed, which shall include but not be limited to the following elements:
 - a. Improved transit coordination, services and schedules;
 - b. A phased plan for transit related facilities and infrastructure;
 - c. A review and plan for specialized transit services, as outlined below (3-d).
 - d. Long term sustainable funding

The Initial Service Plan shall be subject to SMART Board Adoption.

3. The Authority shall consider enhancing or providing new transit services including but not limited to the following:
 - a. Transit serving Placerville/Down Valley, Norwood, Ridgway, Montrose, Ophir, Rico, and Cortez, including points between these jurisdictions.
 - b. Transit service for Lawson Hill and neighboring communities.
 - c. Transit service during shoulder season, special event, and Gondola backup between the towns of Telluride and Mountain Village.
 - d. Specialized services including paratransit, medical appointment, and senior transit.
 - e. Regional trail planning, construction and maintenance with an emphasis on the provision of multi-modal linkages and accessibility to and between transit services, neighboring communities and population centers.
 - f. Assuming intra-town services in a manner consistent with existing or improved levels of service subject to the agreement of the effected Member jurisdiction.
 - g. Funding for maintenance, repairs and improvement of the gondola aerial tramway system, between Mountain Village and Telluride consistent with the provisions of Section 6.02(f)(1) and 6.02(f)(2).

Memo

Agenda Item #16

To: Mayor and Town Council
From: Sarah Abbott
CC: File
Date: July 14, 2016
Re: San Miguel Authority for Regional Transportation (“SMART”) Intergovernmental Agreement

In your packets you will find a draft resolution conditionally approving execution of the Intergovernmental Agreement (“IGA”) between the Town of Mountain Village, Town of Telluride and San Miguel County governing the San Miguel Authority for Regional Transportation subject to voter approval at the November 8, 2016 general election.

The purpose of this resolution is to approve execution of the IGA by the Mayor if voters approve formation and funding of SMART at the election.

Some blanks need to be filled in and typos corrected, so we recommend that the Council approve the IGA in substantially the same form as presented to Council and authorize the Town Attorney and Town Manager to fill those in as appropriate.

Proposed Motion:

I move to approve the resolution conditionally approving execution of the SMART IGA subject to voter approval at the November 8, 2016 general election and authorize minor, non-substantive changes to the SMART IGA.

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
MOUNTAIN VILLAGE, COLORADO,
CONDITIONALLY APPROVING THE SAN MIGUEL AUTHORITY FOR REGIONAL
TRANSPORTATION (SMART) INTERGOVERNMENTAL AGREEMENT BY AND
AMONG THE TOWN OF MOUNTAIN VILLAGE, COLORADO, THE TOWN OF
TELLURIDE, COLORADO AND SAN MIGUEL COUNTY, COLORADO, SUBJECT
TO VOTER APPROVAL AT THE GENERAL ELECTION SCHEDULED FOR
NOVEMBER 8, 2016**

NO. 2016 -

RECITALS:

WHEREAS, pursuant to title 43, article 4, part 6, Colorado Revised Statutes, as amended (the Colorado “Regional Transportation Authority Law”), Colorado counties and municipalities are authorized to establish, by contract, regional transportation authorities, which are authorized to finance, construct, operate and maintain regional transportation systems; and,

WHEREAS, over the past twelve (12) months the Town of Mountain Village, Colorado has been meeting with other elected officials representing the Town of Telluride, Colorado and San Miguel County, Colorado with regard to the possible formation of the San Miguel Authority for Regional Transportation (“SMART”) for the purpose of financing, constructing, operating and maintaining regional transportation systems; and,

WHEREAS, public transportation is a critical part of the solution to the nation’s economic, energy, and environmental challenges and regional transportation services enhance and support San Miguel County socially and economically, providing affordable or free transit to the region’s visitors and employee base, and conversely benefit local employers with a reliable workforce; and,

WHEREAS, every segment of American society including individuals, families, communities and businesses, benefits from public transit, helping to bring a better quality of life to communities; and,

WHEREAS, in the spirit of regional cooperation the Town of Mountain Village, Colorado wishes to join and coordinate efforts with the Town of Telluride, Colorado and San Miguel County, Colorado to manage and improve public transit, increasing efficiencies in the short and long term, enhancing reliability and safety, and changing to meet future demand; and,

WHEREAS, stated goals of all jurisdictions in the region are to improve air quality, reduce greenhouse gas emissions, reduce traffic and congestion, and enhance safety on the limited highway access in the region and in these communities; and,

WHEREAS, transit services promote independent living for the elderly and the disabled by providing essential links to medical, social and other services, and the region recognizes the need to improve mobility options for all segments of the population; and,

WHEREAS, pursuant to the Regional Transportation Authority Law, C.R.S. § 43-4-603(3) “No municipality, county, or special district shall enter into a contract establishing an authority without holding at least two public hearings thereon in addition to other requirements imposed by law for public notice”; and,

WHEREAS, the Town of Mountain Village held a public hearing on June 16, 2016, properly noticed as required by the Regional Transportation Authority Law, to receive public comment on the possible formation of SMART, subject to voter approval; and,

WHEREAS, on July 21, 2016 the Town of Mountain Village held its second required public hearing, as required by the Regional Transportation Authority Law, to receive public comment on the possible formation of SMART, subject to voter approval; and,

WHEREAS, on November 8, 2016 during the scheduled General Election it is anticipated that the Towns of Mountain Village and Telluride along with San Miguel County will submit to their electorate the question of the formation of SMART along with tax increase questions, pursuant to the terms of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, it is the intent and outcome of this Resolution of the Town Council of the Town of Mountain Village, Colorado to approve the San Miguel Authority for Regional Transportation Intergovernmental Agreement expressly conditioned on electorate approval during the November 8, 2016 General Election as required by C.R.S. § 43-4-603(4), which states that “no contract establishing a [regional transit] authority...shall take effect unless first submitted to a vote of the registered electors residing within the boundaries of the proposed authority”; and

WHEREAS, approval of the SMART IGA will be subject to approval by both a majority of the registered electors residing within the Town voting on the establishment of SMART and a majority of the resident and nonresident registered electors of the Town voting on funding of SMART at the November 8, 2016 general election; and

WHEREAS, such funding would authorize SMART to impose both a sales tax of 0.25% on taxable sales and an ad valorem property tax mill levy of 0.75 mills on taxable real and personal property located within the Town of Mountain Village, Town of Telluride and that portion of unincorporated San Miguel County located within the proposed boundaries of SMART, respectively.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF MOUNTAIN VILLAGE, COLORADO AS FOLLOWS:

1. The Recitals of this Resolution, as set forth above, are hereby incorporated into this Resolution as findings of fact and conclusions of law of the Town Council.
2. The Town Council approves the San Miguel Authority for Regional Transportation Intergovernmental Agreement as depicted in Exhibit A, attached hereto and incorporated herein by reference, expressly conditioned on resident electorate approval during the November 8, 2016 General Election as required by C.R.S. § 43-4-603(4), which states that “no contract establishing a [regional transit] authority...shall take effect unless first submitted to a vote of the registered electors residing within the boundaries of the proposed authority,” and resident and nonresident electorate approval during the November 8, 2016 General Election as required by C.R.S. § 43-4-612, which states that “no action by an authority to establish or increase any tax authorized by this part 6 shall take effect unless first submitted to a vote of the registered electors of that portion of the combination in which the tax is proposed to be collected.”

ADOPTED AND APPROVED by the Town Council of the Town of Mountain Village, Colorado, at a regular meeting held on the 21st day of July, 2016.

TOWN OF MOUNTAIN VILLAGE, COLORADO, a
home rule municipality

By: _____
Dan Jansen, Mayor

ATTEST:

By: _____
Jackie Kennefick, Town Clerk

APPROVED AS TO FORM:

By: _____
J. David Reed, Town Attorney

Revised as of 6/7/16

DRAFT

**SAN MIGUEL AUTHORITY FOR
REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT**

By and among

TOWN OF TELLURIDE, COLORADO

TOWN OF MOUNTAIN VILLAGE, COLORADO

And

SAN MIGUEL COUNTY, COLORADO

Dated as of _____ 2016

Providing for the establishment of the "San Miguel Authority for Regional Transportation" as a Colorado Regional Transportation Authority pursuant to the Colorado Regional Transportation Law, Title 43, Article 4, Part 6, Colorado Revised Statutes, as amended.

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**SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT**

THIS SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION INTERGOVERNMENTAL AGREEMENT (this “Agreement”) is entered into as of _____ 2016 by and among TOWN OF TELLURIDE, COLORADO; TOWN OF MOUNTAIN VILLAGE, COLORADO; and THE UNINCORPORATED AREA ENCOMPASSED WITHIN THE BOUNDARIES OF THE TELLURIDE R-1 SCHOOL DISTRICT of SAN MIGUEL COUNTY, COLORADO; (the “initial Signatories”).

RECITALS

WHEREAS, pursuant to title 43, article 4, part 6, Colorado Revised Statutes, as amended (the “Act”), Colorado counties and municipalities are authorized to establish, by contract, regional transportation authorities, which, upon the satisfaction of the conditions set forth in herein, are authorized to finance, construct, operate and maintain regional transportation systems;

WHEREAS, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended (the “Intergovernmental Relations Statute”), and article XIV, section 18 of the Colorado Constitution, governments may contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility including the establishment of a separate legal entity to do so;

WHEREAS, the Initial Signatories are a Colorado County and certain Colorado municipalities located within the boundaries of San Miguel County constituting the unincorporated area within the Telluride R-1 School District in southwest Colorado that desire to form a regional transportation authority pursuant to the Act and the Intergovernmental Relations Statute for the purpose of financing, constructing, operating and maintaining regional transportation systems consisting of Authorized Transportation Projects described in Section 6.02 herein;

WHEREAS, public transportation is a critical part of the solution to the nation’s economic, energy, and environmental challenges. Regional transportation services enhance and support San Miguel County socially and economically, providing affordable or free transit to the region’s visitors and employee base, and conversely benefit local employers with a reliable workforce;

WHEREAS, every segment of American society including individuals, families, communities and businesses, benefits from public transit, helping to bring a better quality of life to communities;

WHEREAS, in the spirit of regional cooperation the signatories of this Agreement wish to join and coordinate efforts in managing and improving public transit, increasing efficiencies in the short and long term, enhancing reliability and safety, and changing to meet future demand;

WHEREAS, stated goals of all jurisdictions in the region are to improve air quality, reduce green house gas emissions, reduce traffic and congestion, and enhance safety on the limited highway access in the region and in these communities; and

WHEREAS, transit services promote independent living for the elderly and the disabled by providing essential links to medical, social and other services, and the region recognizes the need to improve mobility options for all segments of the population.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the Initial Signatories hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions from the Act. The following terms shall, when capitalized, have the meaning assigned to them in section 602 of the Act: “Bond”, “Combination”, “Construct”, “Construction”, “County”, “Grant”, “Municipality”, “Operations and Maintenance Expenses”, “Person”, “Revenues”, “Regional Transportation Activity Enterprise”, “Regional Transportation System”, “State”.

Section 1.02. Other Definitions. The following terms shall, when capitalized, have the following meanings:

“Act” is title 43, article 4, part 6, Colorado Revised Statutes, as amended

“Administrative Advisory Committee” means a committee appointed by and serving at the direction and pleasure of the Board of Directors pursuant to Section 4.02 herein.

“Advisory Committee” means two or more persons appointed by the San Miguel Authority for Regional Transportation (Authority) pursuant to Article IV herein for the purposes of providing advice to the Board.

“Agreement” means the San Miguel Authority for Regional Transportation Intergovernmental Agreement, as amended from time to time in accordance with the terms herein.

“Alternate Director” means any person appointed as Alternate Director pursuant to Section 3.03 herein.

“Authority” means the San Miguel Authority for Regional Transportation, a political subdivision of and body corporate of the State established pursuant to this Agreement as a regional transportation authority under the Act and as a separate legal entity under the Intergovernmental Relations Statute.

“Authority Sales Tax” means a sales and use tax levied by the Authority in all or any designated portion of the Members in accordance with Section 605(1)(j)(l).

“Authorized Transportation Projects” refers to Specific Responsibilities outlined in Section 6.02 as such projects may be amended from time to time in accordance with Article XI herein, as well as the Regional Transportation Systems as described in §43-4-602(16), C.R.S.

“*Ballot Question/Issue*” is defined in Section 2.04(a) herein, and in §1-1-104(2.3)(2.4), C.R.S.

“*Board*” means the Board of Directors of the Authority.

“*Boundaries*” means the boundaries of the Authority determined in accordance with Appendix A herein, as such Appendix and term may be amended from time to time in accordance with Article XI herein.

“*Director*” means any person appointed as such pursuant to Section 3.02 herein. Whenever the person appointed as a Member’s Director is absent from a Board meeting, the term “Director” shall mean the “Alternate Director”, if any, appointed by such Member pursuant to Section 3.03 herein.

“*Division of Local Government*” means the Division of Local Government in the State Department of Local Affairs.

“*Governing Body*” means, when used with respect to a Member, the town council, the board of trustees, board of commissioners or other legislative body, as appropriate, of such Member.

“*Initial Boundaries*” means the Boundaries of the Authority on the date the Authority is established pursuant to Article II herein, as such Initial Boundaries are determined in Accordance with Appendix A herein.

“*Initial Members*” means the Initial Signatories who become Members on the date on which the Authority is originally established pursuant to Section 2.05 herein.

“*Initial Signatories*” means the Municipalities and Counties that are signatories to this Agreement in its original form.

“*Intergovernmental Relations Statute*” refers to the statute that authorizes local governments to enter into agreements (§29-1-203, C.R.S).

“*Member*” means (a) the Initial Members and (b) any Municipality or County that becomes a Member of the Authority pursuant to Section 8.03 herein.

“*Officers*” means the Chair, Vice Chair, Secretary, or Treasurer of the Authority, and any subordinate officer or agent appointed and designated as an officer of the Authority or the Board.

“*Regional Transit Services*” means the transit services described in Appendix D herein, as may be amended from time to time in accordance with Article XI herein, and included within the “Regional Transportation System” as defined at §43-4-602(16), C.R.S.

“*Transit*” means conveyance of residents, visitors, or workers via publicly or privately operated motorized vehicle transport systems, including but not limited to bus, van, or aerial tramway (gondola).

“*Transportation*” means any property, improvement or system related to the conveyance people or goods including but not limited to bridges, roadways, trails, motorized or non-motorized vehicles, aerial tramway (gondola), or train.

ARTICLE II

ESTABLISHMENT OF THE AUTHORITY AND INITIAL MEMBERS

Section 2.01. Establishment. The San Miguel Regional Authority for Transportation (SMART) shall be established as a separate political subdivision and body corporate of the State pursuant to the Act and as a separate legal entity created by a contract among the Initial Members pursuant to the Intergovernmental Relations Statute, effective upon satisfaction of the following conditions:

- (a) Each Initial Member (i) has held at least two public hearings on the SMART Agreement in accordance with §603(3), (ii) has submitted this Agreement for review and comment in accordance with §43-4-603(1.5), C.R.S. to the Colorado Department of Transportation, those counties and municipalities that border the Authority's boundaries; and (iii) has executed this Agreement (which execution shall constitute a representation by such Initial Member to the other Initial Members that the executing Initial Member has held the public hearings required by §603(3) and that Governing Body of such Initial Member has duly authorized its execution, delivery and performance of this Agreement);
- (b) This Agreement has been approved by a majority of the registered electors residing within the Initial Boundaries of the Authority at the time of the election who voted in the general election or special election called for such purpose in accordance with § 603(4); and
- (c) The Director of the Division of Local Governments has issued a certificate pursuant to § 603(1) stating that the Authority has been duly organized according to the laws of the State and such certificate has been recorded in the legal real estate records of San Miguel County pursuant to §603(1).

Section 2.02. Purpose. The purpose of the Authority is to coordinate, plan, finance, construct, operate and maintain a regional multi-modal transportation system within or outside the Boundaries of the Authority.

Section 2.03. Boundaries. The Initial Boundaries of the Authority shall be determined in accordance with Appendix A herein. Any territory included in the Boundaries of the Authority because the territory is included in the boundaries of a Municipality shall automatically be amended to include any territory annexed to the Municipality.

Section 2.04. Voter Approval.

(a) The Initial Signatories agree to submit ballot questions and/or ballot issues seeking voter approval of the establishment of the Authority herein at elections to be conducted on the 8th day of November, 2016 in accordance with the Act and other applicable law (the "Election"). Three separate ballot questions, which are hereafter referred to by the names indicated below and drafts of which are attached herein as Appendixes C-1 through C-4, shall be submitted to the registered electors of the following described areas within the boundaries of the Initial Signatories:

- (i) the "San Miguel County Establishment Question", a draft of which is attached herein as Appendix C-1, shall be submitted to San Miguel County

registered electors residing within the unincorporated area within the proposed Authority Boundary;

(ii) the “Town of Telluride Establishment Question”, a draft of which is attached herein as Appendix C-2, shall be submitted to the registered electors of the Town of Telluride;

(iii) the “Town of Mountain Village Establishment Question”, a draft of which is attached herein as Appendix C-3, shall be submitted to the registered electors that are residents of the Town of Mountain Village;

(iv) the “Town of Mountain Village Funding Question”, a draft of which is attached hereto as Appendix C-4, shall be submitted to the registered electors of the Town of Mountain Village.

(b) With the intent to put forth these measures as a coordinated election under the Clerk of San Miguel County, the Governing Body of each of the Initial Signatories named in the title of each ballot question shall take all actions necessary to submit such questions to the appropriate registered electors at the Election but may modify the ballot questions submitted by it in any manner that is consistent with the terms of this Agreement and the ballot questions/issues attached herein in Appendices C-1 through C-4. Any Governing Body’s modification(s) to a ballot question that are inconsistent with the terms of this Agreement and the attached appendices shall require the written consent of each of the other Initial Signatories prior to its submittal to that body’s registered electors. The designated election official for a coordinated election shall be the San Miguel County Clerk and Recorder.

(c) Each Initial Signatory shall pay the costs of conducting the election within its boundaries. For the purposes of allocating such costs, costs allocable to electors who reside in, or are properly registered to vote in a municipality shall be allocated to the municipality in which they reside or are registered to vote, and costs allocable to electors who reside in unincorporated areas shall be allocated to the county in which they reside.

Section 2.05. Initial Members. The Initial Signatories whose participation in the Authority is authorized by a majority of the registered electors voting on the ballot questions indicated below shall be the Initial Members of the Authority on the date the Authority is originally established pursuant to the Agreement:

(a) Unincorporated San Miguel County within the boundaries of the Telluride R-1 School District will be an Initial Member if a majority of the San Miguel County registered electors voting thereon approve the San Miguel County Establishment Question;

(b) Town of Telluride will be an Initial Member if a majority of the Town of Telluride registered electors voting thereon approve the Town of Telluride Establishment Question;

(c) Town of Mountain Village will be an Initial Member if a majority of the Town of Mountain Village registered electors that are legal residents of the Town of Mountain Village voting thereon approve the Town of Mountain Village Establishment Question, and if a majority of the Town of Mountain Village registered electors approve the Town of Mountain Village Funding Question;

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Establishment and Powers. The Authority shall be governed by a Board of Directors as described in this Article. The Board shall exercise and perform all powers, privileges and duties vested in or imposed on the Authority, subject to the provisions of this Agreement and §604(1)(a) of the Act.

Section 3.02. Directors. The Board shall be composed of two regular Directors appointed by each Member from the Town of Telluride, the Town of Mountain Village and San Miguel County.

Section 3.03. Alternate Directors. In addition to the Director(s) appointed by it, each Member shall appoint one Alternate Director who shall be deemed to be such Member's Director for all purposes, including, but not limited to, voting on resolutions whenever the person appointed as such Member's Director is absent from a Board meeting.

Section 3.04. Appointment of Directors and Alternate Directors. As required by §603(2)(b)(I) of the Act, each of the Director(s) and the Alternate Director appointed by a Member shall both be elected officials of the Governing Body of such Member and shall be appointed as a Director or Alternate Director by the elected officials of the Governing Body of such a member.

Section 3.05. Terms of Office. The term of office of each Director and Alternate Director shall commence with the first meeting of the Board following his or her appointment and shall continue until (a) the date on which a successor is duly appointed or (b) the date on which he or she ceases to be a member of the Governing Body of the appointing Member.

Section 3.06. Resignation and Removal. Any Director or Alternate Director (a) may resign at any time, effective upon receipt by the Secretary or the Chair of written notice signed by the person who is resigning; and (b) may be removed at any time by the Governing Body of the Member that appointed him or her, effective upon receipt by the Secretary or the Chair of written notice signed by the Governing Body of the appointing Member.

Section 3.07. Vacancies. Vacancies in the office of any Director or Alternate Director shall be filled in the same manner in which the office was originally filled pursuant to Section 3.04 herein.

Section 3.08. Compensation. Directors and Alternate Directors shall serve without compensation, but may be reimbursed for expenses incurred in serving in such capacities upon such terms and pursuant to such procedures as may be established by the Board.

Section 3.09. Resolution and Voting. All actions of the Board shall be by written resolution. Except as otherwise provided in Section 3.10 herein, resolutions of the Board shall be adopted upon the affirmative vote at an open and noticed public meeting of at least a simple majority of the Directors then in office who are eligible to vote on the measure. A minimum vote of two-thirds of the Directors then in office is required per §43-4-605(2)(II) C.R.S. in the case of adding territory and members to the Authority. The Authority shall provide at least 48 hours' written notice of meetings to each Director and Alternate Director and to the Governing Body of

each Member. Notwithstanding any other provision herein, a Director shall disqualify himself or herself from voting on any issue with respect to which he or she has a conflict of interest, unless he or she has disclosed such conflict of interest in compliance with §18-8-308 and 24-18-101 et seq., C.R.S., as amended.

Section 3.10. Special Rules Regarding Adoption of the Authority's Annual Budget. Notwithstanding Section 3.09 herein, if the Board fails to approve the Authority's annual budget by resolution adopted in accordance with Section 3.09 herein by the end of the immediately preceding fiscal year of the Authority or any earlier date required by State law, until an annual budget is adopted, the Authority's budget for such year shall be the prior year's budget, with adjustments approved by a majority of the Directors then in office who are eligible to vote thereon that, in the aggregate, do not exceed the sum of "inflation" and the Authority's "local growth" as determined in accordance with Article X, §20(2)(f) and (g) of the Colorado Constitution. The procedures set forth in this Section may be modified by bylaws or rules adopted in accordance with Section 3.12 herein.

Section 3.11. Powers of the Board. The Board shall, subject to the limitations set forth herein, have (a) all powers that may be exercised by the board of directors or a regional transportation authority pursuant to the Act, including, but not limited to, the powers conferred by section 604(1) and (3) of the Act, and (b) all powers that may be exercised by the governing board of a separate legal entity that has been lawfully created by a contract among the Members pursuant to the Intergovernmental Relations Statute.

Section 3.12. Bylaws and Rules. The Board, acting by resolution adopted as provided in Section 3.09 herein, shall adopt bylaws or rules governing the activities of the Authority and the Board, including, but not limited to, bylaws or rules governing the conduct of Board meetings, voting procedures, the type of resolutions that must be in writing and procedures for the resolution of issue on which a simple or super majority cannot be obtained in accordance with Section 3.09 herein.

Section 3.13. Additional Directors. Notwithstanding any other provision herein, in order to comply with the provisions of §603(2)(b)(I) requiring a minimum of five Directors, if at any time there are fewer than five appointed Directors, then the underrepresented Member shall appoint an additional Director from the elected governing body of their jurisdiction within thirty days of the vacancy.

Section 3.14. Board Officers. The Board shall elect a Chair, a Vice Chair, a Secretary, and a Treasurer. The offices of Chair and Secretary may not be held by the same person.

(a) Chair. The Chair shall have the power to call meetings of the Board; the power to execute, deliver, acknowledge, file and record on behalf of the Authority such documents as may be required by this agreement, the Act or other applicable law; and such other powers as may be prescribed from time to time by the Board. The Chair may execute and deliver contracts, deeds and other instruments and agreements on behalf of the Authority as are necessary or appropriate in the ordinary course of its activities or as are duly authorized or approved by the Board. The Chair shall have such additional authority, powers and duties as are appropriate and customary for the office of the chair of the board of directors or entities such as the Authority, and as the Board may otherwise prescribe.

(b) Vice Chair. The Vice Chair shall be the Officer next in seniority after the Chair and, upon the absence of the Chair, shall have the authority, powers and duties of the Chair. The Vice Chair shall have such additional authority, powers and duties as are prescribed by the Board.

(c) Secretary. The Secretary shall give, or cause to be given, notice of all meetings (including special meetings) of the Board, keep written minutes of such meetings, have charge of the Authority's seal, be responsible for the maintenance of all records and files and the preparation and filing of reports to governmental agencies (other than tax returns), have authority to impress or affix the Authority's seal to any instrument requiring it (and, when so impressed or affixed, it may be attested by his or her signature), and have such other authority, powers and duties as are appropriate and customary for the office of the secretary of entities such as the Authority, and as the Board may otherwise prescribe. If a Treasurer has not been elected, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer.

(d) Treasurer. Subject to rules and procedures established by the Board, the Treasurer shall be responsible or shall cause a designee of the Board to be responsible for custody of the funds and all stocks, bonds and other securities owned by the Authority and shall be responsible for the preparation and filing of all tax returns, if any, required to be filed by the Authority. The Treasurer shall receive all moneys paid to the Authority and subject to any limits imposed by the Board or the Chair, shall have authority to give receipts and vouchers, to sign and endorse checks and warrants in the Authority's name and on the Authority's behalf, and to give full discharge for the same. The Treasurer shall also have charge of disbursements of the funds of the Authority, shall keep full and accurate records of the receipts and disbursements, and shall deposit all moneys and other valuables in such depositories as shall be designated by the Board. The Treasurer shall deposit and invest all funds of the Authority in accordance with this Agreement and laws of the State applying to the deposit and investment of funds or regional transportation authorities formed under the Act. The Treasurer shall have such additional authority, powers and duties as are appropriate and customary for the office of Treasurer of entities such as the Authority, and as the Board may otherwise prescribe. If a Treasurer has not been elected, the Secretary shall also serve as Treasurer and may use the title of Treasurer in performing the functions of Treasurer.

ARTICLE IV

ADMINISTRATIVE AND ADVISORY COMMITTEES

Section 4.01. Generally. The Board, in accordance with §43-4-604(3)(h), C.R.S., has the power to appoint advisory committees related to the operations and planning of regional transportation and define the duties thereof.

Section 4.02. Administrative Advisory Committee. The Board shall appoint members to an Administrative Advisory Committee serving at the direction and pleasure of the Board. The term durations, number of members and makeup of the Administrative Advisory Committee will be determined and approved by a resolution of the Directors. The purpose of Administrative Advisory Committee will include but not be limited to advising on the Authority annual budget, operations and long range planning for Board adoption. Directors, Alternate Directors or Officers of the Authority shall not be members of the Executive Advisory

Committee. The Administrative Advisory Committee shall not be authorized to exercise any power of the Board.

Section 4.03. Other Advisory Committees. The Board may appoint and maintain other Advisory Committees to develop recommendations with respect to policy, planning and service matters. The members of Advisory Committees may be citizens, business and resort representatives, other regional government or public agencies that represent service area outside the boundaries of the Authority. Directors or Alternate Directors of the Authority may participate in these Advisory Committees. Advisory Committees shall not be authorized to exercise any power of the Board.

ARTICLE V

PERSONNEL

Section 5.01 Generally. Personnel will be at-will employees of the Authority including but not limited to an administrator and/or finance manager. Employees shall be recruited in an open process in accordance with equal opportunity employment requirements that prohibit discriminatory hiring practices based on age, race, gender, disability or religion or any other status protected by federal or state law.

Section 5.02. Administrator. The Administrator shall be the chief executive officer of the Authority, shall supervise the activities of the Authority, shall see that all policies, directions and orders of the Board are carried out and shall, under the supervision of the Board, have such other authority, powers or duties as may be prescribed by the Board. The administrator will hire and supervise staff for the Authority based on approved budget allocations for such positions.

Section 5.03. Powers and Duties. Notwithstanding any other provision of this Article, the Board at any time may expand, limit or modify the powers and duties of any employee.

Section 5.04. Vacancies. Vacancies in the office of any employee shall be filled in the same manner in which such office was originally filled.

Section 5.05. Compensation. The Authority shall determine the compensation of employees for services performed, and may reimburse them for expenses incurred, in serving in such capacities upon such terms and procedures as may be established by the Board.

ARTICLE VI

POWERS OF THE AUTHORITY

Section 6.01. General Grant of Power. The Authority shall, subject to limitations set forth herein, have (i) all powers granted by the Act to regional transportation authorities and (ii) all powers that may be exercised by a separate legal entity created by a contract among the Members pursuant to the Intergovernmental Relations Statute. Such powers shall include, but shall not be limited to:

- (a) the specific powers described in §42-4-605,C.R.S.;
- (b) the power to establish Regional Transportation Activity Enterprises in accordance with §42-4-606,C.R.S.;

- (c) the power to establish local improvement districts in accordance with §42-4-608, C.R.S.;
- (d) the power to issue bonds in accordance with §42-4-609, C.R.S.;
- (e) the power to cooperate with any person or entity as provided in §42-4-610, C.R.S.;
- (f) the power to invest or deposit funds as provided in §42-4-616, C.R.S.; and
- (g) the power to petition for a judicial examination and determination of any power, act, proceeding or contract of the Authority as provided in §42-4-620, C.R.S.

Section 6.02. Specific Responsibilities. In addition to the general powers described in Section 6.01 herein, the Authority shall have the responsibilities described in this Section and shall have all powers necessary to carry out such responsibilities, subject to the availability of funds and, to the extent required by law, annual appropriation of funds by the Board. The description of specific responsibilities and powers in this Section shall not, however, limit the general powers of the Authority described in Section 6.01 herein.

- (a) **Regional Transit Services.** The Authority shall coordinate and may operate and fund Regional Transit Services as described in Appendix D, the Initial Service Plan, as may be amended from time to time per Article XI herein.
- (b) **Contract Transit Services.** The Authority may enter into contracts with any Member or other person or entity for the provision of transit services in the manner and subject to the terms of such contracts.
- (c) **Regional Transportation Planning.** The Authority shall engage in annual regional transportation planning to direct the Authorized Transportation Projects, pursue local, federal or state funding and coordinate overall transportation policy within the area in which it provides transit services. Regional transportation planning shall, as determined by the Board, include short range service and infrastructure planning as well as long range planning, corridor investment studies and related impact analyses.
- (d) **Planning, Construction and Maintenance of Regional Trails and Pedestrian Infrastructure.** The Authority may provide planning and funding support for regional public trail maintenance, improvement and construction, -in cooperation with Members, advisory groups and other agencies including but not limited to the USFS, BLM and CDOT. The emphasis will be on multi-modal trails that provide improved accessibility and connections between transit nodes, population centers and communities.
- (e) **Local Service.** The Authority may operate Authorized Transportation Projects of a Member jurisdiction (as distinguished from regional services) except as otherwise specifically provided herein, only pursuant to an agreement to which such Member pays the Authority for the services provided on the same fully allocated cost basis otherwise used to determine costs of services throughout the Authority's service area.
- (f) **Aerial Tramway (Gondola).** The Authority may plan for transitioning operations, maintenance, capital improvements, and the funding required for such functions of the Telluride-Mountain Village Gondola system (the "Gondola") to the Authority by December 31, 2027.

1) Capital Expenses. The Authority may fund capital expenditures that have a useful life that extends beyond December 31, 2027. In such an event the Authority would fund the portion of the capital expense that is projected to extend beyond December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for capital expenditures for enhanced Gondola operations prior to December 31, 2027 above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999.

2) Operational Expenses. The Authority may aggregate funds from Members related to the operation for the Gondola prior to December 31, 2027, but the Authority may not expend such funds for operations prior to December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for enhanced Gondola operations above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999, nor shall this limitation preclude the Authority from expending local, state or federal grants for the operation of the Gondola.

Nothing in this Section 6.02(f)(2) shall be construed as obligating Authority tax revenue to fund operational expenses up to the legal minimum service standards of the Gondola prior to December 31, 2027.

Notwithstanding any of the foregoing, it is an objective of the Authority to assure the ongoing operation of the Gondola beyond December 31, 2027.

(g) Transportation Related Infrastructure. The Authority may assume the maintenance of existing facilities and may develop new park-and-ride facilities, transit stops, vehicle maintenance garages, trails, or other necessary infrastructure related to operations under the purview of the Authority.

(h) Roadway Maintenance & Improvements

(i) Rail Projects and Service

Section 6.03. Limitations on Powers of the Authority. Notwithstanding Sections 6.01 and 6.02 herein, the powers of the Authority shall be limited as follows:

(a) the Authority may only finance, construct, operate and maintain authorized transportation projects;

(b) Advisory Committees may only be appointed and may only exercise the powers as provided in Article IV herein;

(c) no action to establish or increase a tax or to create a multiple fiscal year debt or other financial obligation that is subject to §20(4)(b) of article X of the State Constitution shall take effect unless first submitted to a referendum vote in accordance with §42-4-612 of the Act;

(d) the Board shall deliver notice of any proposal to establish, increase or decrease any tax to any County or Municipality where the proposed tax or fee would be imposed in accordance with §42-4-613 of the Act; and

(e) a notice of the imposition of or any increase in any fee or tax or the issuance of Bonds shall be sent to the Division of Local Government and shall be filed with the State Auditor and the State Transportation Commission in accordance with §42-4-614 of the Act.

Section 6.04. Existing Transit Services. The Authority shall not assume responsibility for the operation, funding or maintenance of any transit services provided by a member as set forth in Appendix D without the approval of that Member and of the Authority.

ARTICLE VII

FUNDING THE AUTHORITY

Section 7.01. Baseline Funding. The baseline funding of the Authority can be provided from the following sources pursuant to §43-4-605(1), 612, 613, and 614, C.R.S.:

- (a) A sales or use tax or both up to 1% with voter approval.
- (b) A property tax mill levy of up to 5 mils with voter approval.
- (c) A visitor benefit tax up to 2% with voter approval.
- (d) An annual motor vehicle registration fee of not more than ten dollars for each motorized vehicle registered with the San Miguel County Clerk and Recorder by persons residing within the boundaries of the Authority and stipulations as otherwise authorized by the Act. This fee can be imposed without further voter approval.

Section 7.02. Discretionary Member Contributions. A Member jurisdiction may make funding contributions, provide in-kind services or pay costs that otherwise would have been paid by the Authority (referred to as a “Discretionary Member Contribution”). Discretionary member contributions will be subject to Board approval on a case-by-case basis. The Authority will make a good faith effort to grant such Member a credit against other contributions or contract service payments to the Authority by or on behalf of such Member, in an amount equal to the discretionary member contribution.

Section 7.03. Mitigation of Development Impacts. The Authority acknowledges that regional land use development has an impact upon local and regional traffic congestion and the availability of parking. They further agree that improved transit services and infrastructure are a means for mitigating such impacts. Accordingly, Member jurisdictions shall provide recommendations for the appropriate planning and zoning boards to address transit based mitigation of the projected traffic impacts of a new development within their jurisdiction. Members shall provide recommendations regarding the means by which that the mitigation is imposed. This can include ordinance-based transit impact fees, conditions for approval imposed upon individual development projects, or other means. Funds derived from such mitigation may be remitted to the Authority to offset capital or operational costs and outlays associated with providing regional transit services to the Member.

Section 7.04. Pursuit of Grants. The Authority shall actively pursue grants to support its activities, including grants for offsetting operating and capital expenditures, long range planning and environmental review. The Authority shall also cooperate and assist Members in their pursuit of grants for transportation projects.

Section 7.05. Capital Projects and Bonds.

The Authority may fund capital projects by the issuance of Authority Bonds pursuant to §43-4-609 if voter approval is obtained for the issuance of such bonds as required §43-4-612(2);

through lease purchase agreements or other arrangements permitted by, and subject to compliance with the applicable provisions of State and Federal law; or through one or more agreements with one or more Members. Regional Transportation Enterprises pursuant to §43-4-606 do not require voter approval.

Section 7.06. No Implied Limits on Powers. Except as otherwise specifically provided, no provision of this Article shall limit the Authority's powers under the Act.

ARTICLE VIII

MEMBERS

Section 8.01. Initial Members. The Initial Members shall be the Initial Signatories whose participation in the Authority is approved by its registered electors at the November 8TH 2016 election as described in Section 2.05 herein.

Section 8.02. Withdrawal of Initial Members.

(a) An Initial Member may withdraw from the Authority only if:

(i) Any Ballot Questions required for the establishment of the Authority under Section 2.04 herein are not approved at the initial Election by a majority of the electors voting thereon; or

(ii) If a Ballot Question regarding the establishment of the Authority fails within the jurisdictional boundaries of one or more of the Initial Signatories, the Governing Body of an Initial Member where a Ballot Question has passed may, subsequent to the initial Election adopt a resolution or ordinance, and deliver written notice to all the other Initial Members, stating that such Initial Member has withdrawn from the Authority.

(iii) Members may only withdraw from the Authority subject to the conditions set forth in this Section. In particular none of the Initial Signatories may withdraw from the Authority if all three ballot measures described in Section 2.04(a) herein are approved by a majority of the registered electors voting thereon.

(b) If an Initial Member withdraws from the Authority pursuant to subsection (a) of this Section:

(i) the territory within the boundaries of such Initial Member will be excluded from the Boundaries of the Authority and Appendices A and B shall be amended.

(ii) the obligations of such Initial Member set forth in the Agreement shall terminate.

Section 8.03. Additional Members. Any County or Municipality or portion thereof, which is not an Initial Member of the Authority, may become a Member (for purposes of this Section, a "new Member") effective upon:

(a) the adoption of a resolution of the Board in accordance with Section 3.09 herein, the effectiveness of which may be conditioned by agreement and compliance of such new

Member with any conditions which the Board, in its sole discretion, sees fit to impose;

(b) unless the new Member is the State, approval of such new Member's participation in the Authority by the electors residing within the territory of the new Member that is to be included in the Boundaries of the Authority; and

(c) compliance with any other conditions to the admission of such new Member as a Member or its execution of the amended Agreement imposed under the Act, the Intergovernmental Relations Statute or any other applicable law.

Section 8.04 Future Elections. Non-resident property owners within the Town of Mountain Village who constitute registered electors within the Town of Mountain Village shall be eligible to vote on future ballot questions arising under §612(1) of the Act (a referendum election to establish or increase any tax authorized by the Act). However, non-resident property owners shall not be eligible to vote on future ballot questions arising under §612(2) of the Act (a referendum election to create a multiple fiscal year debt or other financial obligation that is subject to §20(4)(b) of article X of the State Constitution). In recognition of the restriction to be placed on the Town of Mountain Village's non-resident registered electors, which by the terms of this Agreement, shall not be entitled to vote on any question arising under §612(2) of the Act, it is the intent of the Members herein that, to the extent possible, future elections be limited to such issues that recognize and permit the enfranchisement of all registered electors within the boundaries of the Authority, including the non-resident property owners of the Town of Mountain Village.

ARTICLE IX

TERM AND DISTRIBUTION OF ASSETS UPON TERMINATION

Section 9.01. Effective Date. The term of the Agreement shall begin when all the conditions to the establishment of the Authority set forth in Section 2.01 herein have been satisfied.

Section 9.02. Termination. The term of this Agreement shall end when all the Members agree in writing to terminate this Agreement provided, however, that this Agreement may not be terminated so long as the Authority has any Bonds outstanding.

Section 9.03. Distribution of Assets Upon Termination. Upon termination of this Agreement pursuant to Section 9.02 herein, after payment of all Bonds and other obligations of the Authority, the net assets of the Authority shall be distributed to the parties who are Members at such time in proportion to the sum of:

(a) the amount of cash and the value of property and services contributed by them to the Authority pursuant to Article VII and VIII herein minus the amount of cash and the value of property previously distributed to them by the Authority and

(b) the unexpended amount of collected Authority approved and imposed taxes or other charges, other than fares paid by the taxpayers of a Member to the Authority. Taxes or other charges paid by residents of areas of Counties which are also located within a Municipality will be allocated 100% to the Municipality for such purposes.

ARTICLE X

DEFENSE OF DIRECTORS, OFFICER, MEMBERS OF ADVISORY COMMITTEES AND EMPLOYEES

The Authority shall insure and defend each Director, Officer, member of an Advisory Committee and employee of the Authority in connection with any claim or actual or threatened suit, action or proceeding (civil, criminal, or other, including appeals), in which he or she may be involved in his or her official capacity by reason of his or her being or having been a Director, Officer, member of a Committee or employee of the Authority, or by reason of any action or omission by him or her in such capacity. The Authority shall insure and defend each Director, Officer or member of a committee and employee of the Authority against all liability, costs and expenses arising from any such claim, suit or action, except any liability arising from criminal offenses or willful misconduct or gross negligence. The Authority's obligations pursuant to this Article shall be limited to funds of the Authority available for such purposes, including but not necessarily limited to insurance proceeds. The Board may establish specific rules and procedures for the implementation of the Article.

ARTICLE XI

AMENDMENTS

Section 11.01. Amendments Generally. This Agreement may be amended upon unanimous consent of all Members and only by resolution of the Board. Such consent shall first be manifested by a majority affirmative vote of the governing bodies of each Member.

Section 11.02. Amendments to Boundaries. The Initial Boundaries outlined in Appendix A "Determination of the Boundaries of the Authority" herein, may be amended in accordance with Section 11.01 herein and with the required approval of the registered voters of any municipal or unincorporated portion of a county proposed to be added to the territory of the Authority. For purposes of this Section, territory of a Member that is a Municipality shall include territory within such Municipality's boundaries or within such Municipality's comprehensive planning area of influence as established as of the date to first set forth above, but shall not include any territory which has previously been included within the incorporated boundaries of another Municipality.

Section 11.03. Modification of Appendices C-1 through C-4. Notwithstanding any other provision herein, any ballot question attached herein as Appendix C-1 through C-4 may be modified by the Governing Body of the Initial Signatory responsible for submitting such ballot question to the electors as provided in Section 2.04 herein.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Adoption and Execution of Agreement in Accordance with Law. Each Initial Signatory hereby represents to each other Initial Signatory that it has adopted and executed this Agreement in accordance with applicable law.

Section 12.02. Parties in Interest. There are no expressed or implied third party beneficiaries to this Agreement.

Section 12.03. No Personal Liability. No covenant or agreement contained in this Agreement or any resolution or bylaw issued by the Board shall be deemed to be a covenant or agreement of an elected or appointed official, officer, agent, servant or employee of any Member in his or her individual capacity.

Section 12.04. Notices. Except as otherwise provided in this Agreement, all notices, or other communications by the Authority, any Member, any Personnel or any member of an Advisory Committee, to any other such person pursuant to the Agreement shall be in writing; shall be given a reasonable period of time to be posted or otherwise publically noticed.

Section 12.05. Assignment. None of the rights or benefits of any Member may be assigned, nor may any of the duties or obligations of any Member be delegated without the express written consent of all the Members.

Section 12.06. Severability. In any clause, provision, subsection, Section or Article of the Agreement shall be held to be invalid, illegal or unenforceable for any reason, the invalidity, illegality or enforceability of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions of this Agreement.

Section 12.07. Interpretation. Subject only to the express limitations set forth herein, this Agreement shall be liberally construed in accordance with the stated purposes of the Agreement and the applicable provisions of the Act.

Section 12.08. Governing Law. The laws of the State shall govern the construction and enforcement of the Agreement. Venue for purposes of any litigation arising under this Agreement shall only be proper in the San Miguel County District Court.

Signature Page

To

SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION
INTERGOVERNMENTAL AGREEMENT

Dated as of _____ 201

ATTEST:

TOWN OF TELLURIDE, COLORADO

Telluride Town Clerk

By: _____

Printed Name: _____

Title: _____

ATTEST:

TOWN OF MOUNTAIN VILLAGE, COLORADO

Mountain Village Town Clerk

By: _____

Printed Name: _____

Title: _____

ATTEST:

SAN MIGUEL COUNTY, COLORADO

San Miguel County Clerk to the Board

By: _____

Printed Name: _____

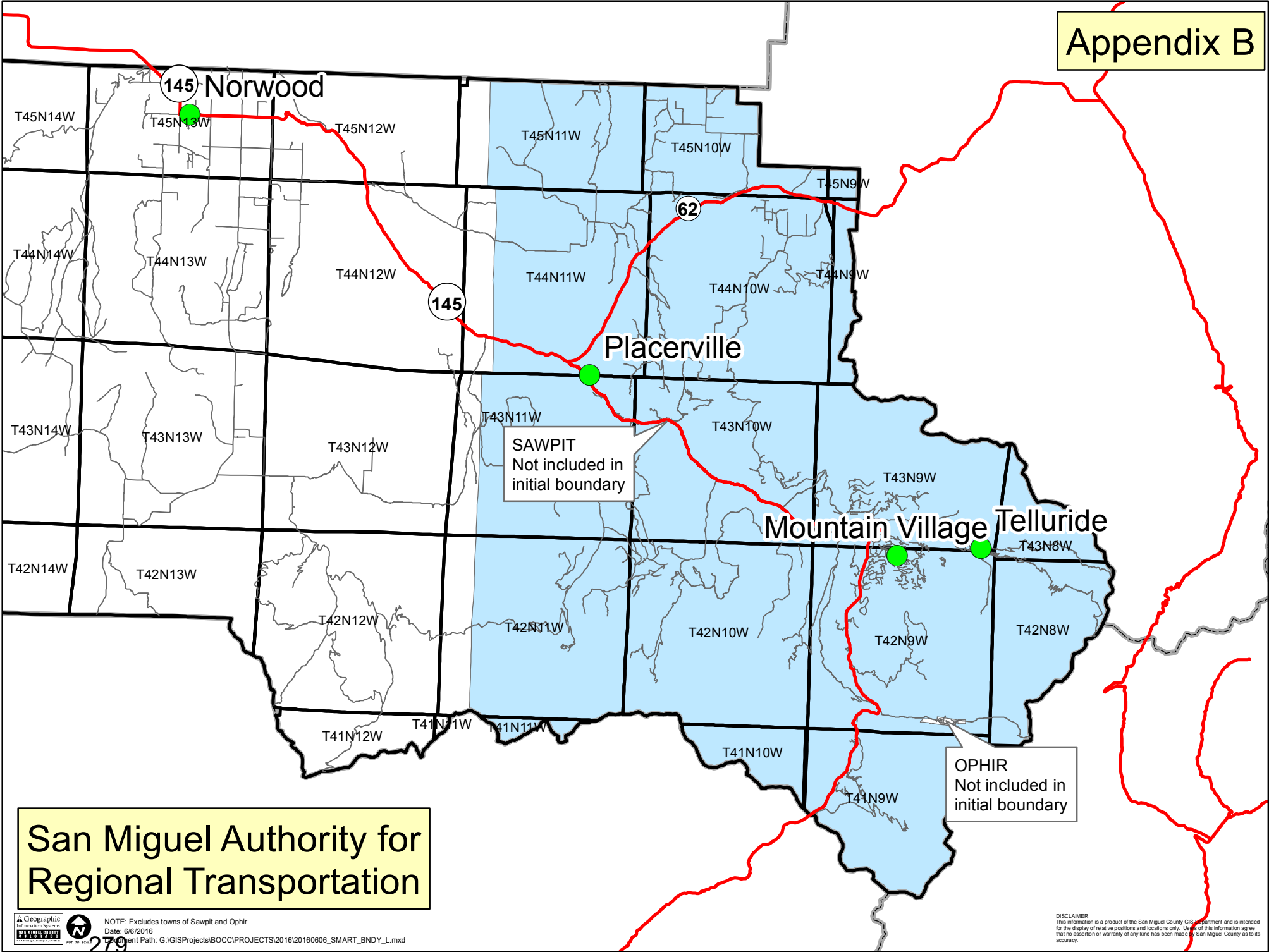
Title: _____

APPENDIX A

DETERMINATION OF BOUNDARIES OF THE AUTHORITY

The Initial Boundaries of the Authority shall consist of:

1. If the Authority is approved by a majority of the registered electors of the Town of Telluride voting thereon at the Election, all territory within the Town of Telluride and all territory subsequently annexed to the Town of Telluride.
2. If the Authority is approved by a majority of the registered electors of the Town of Mountain Village voting thereon at the Election, all territory within the Town of Mountain Village and all territory subsequently annexed to the Town of Mountain Village.
3. If the Authority is approved by the majority of registered electors of the unincorporated territory of San Miguel County within election precincts (as defined of the date herein) existing within the Telluride R1 School District as defined in boundary map Appendix B, voting thereon at the Election.



San Miguel Authority for Regional Transportation



NOTE: Excludes towns of Sawpit and Ophir
 Date: 6/6/2016

Project Path: G:\GISProjects\BOCCI\PROJECTS\2016\20160606_SMART_BNDY_L.mxd

DISCLAIMER
 This information is a product of the San Miguel County GIS Department and is intended for the display of relative positions and locations only. Users of this information agree that no assertion or warranty of any kind has been made by San Miguel County as to its accuracy.

DRAFT

Town of Telluride, Colorado

Draft Possible Ballot Question for Formation of San Miguel Authority for Regional

Transportation and San Miguel Authority for Regional Transportation TABOR

Ballot Question on 0.25% Sales Tax and 0.75 Mill Levy Tax Increase

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND SHALL SMART BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

DRAFT

APPENDIX C-3

**TOWN OF MOUNTAIN VILLAGE
ESTABLISHMENT BALLOT QUESTION**

**BALLOT MEASURE CONCERNING THE ESTABLISHMENT AND FUNDING OF
SMART WITHIN THE BOUNDARY DESIGNATED IN THE IGA AUTHORIZING THE
CREATION OF SMART**

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND SHALL SMART BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES/FOR _____ NO/AGAINST _____

APPENDIX C-4

TOWN OF MOUNTAIN VILLAGE
FUNDING BALLOT QUESTION

BALLOT MEASURE CONCERNING THE FUNDING OF SMART WITHIN THE
BOUNDARY DESIGNATED IN THE IGA AUTHORIZING THE CREATION OF
SMART

SHALL SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (“SMART”) TAXES BE INCREASED \$[_____] IN 2017 (FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER FROM (I) THE LEVY OF AN ADDITIONAL 0.25% SALES TAX (ONE CENT ON EACH FOUR DOLLARS OF TAXABLE SALES) ON EVERY TRANSACTION OR INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE OF COLORADO AND (II) THE LEVY OF A UNIFORM MILL LEVY OF 0.75 MILLS ON ALL TAXABLE PROPERTY LOCATED WITHIN THE TERRITORY OF SMART; PROVIDED THAT SUCH TAX INCREASE COMMENCE ON JANUARY 1, 2017 AND SUCH SALES TAX INCREASE SHALL NOT APPLY TO FOOD SOLD FOR HOME CONSUMPTION; AND PROVIDED THAT THE REGISTERED ELECTORS OF THE TOWN OF TELLURIDE, THAT PORTION OF THE UNINCORPORATED AREA OF SAN MIGUEL COUNTY LOCATED WITHIN THE BOUNDARIES OF THE PROPOSED SMART AND THE RESIDENT REGISTERED ELECTORS OF THE TOWN OF MOUNTAIN VILLAGE APPROVED SMART TO BE ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF THE SMART INTERGOVERNMENTAL AGREEMENT (THE “SMART IGA”) AND MAY BE AMENDED FROM TIME TO TIME BETWEEN SAN MIGUEL COUNTY, THE TOWN OF TELLURIDE AND THE TOWN OF MOUNTAIN VILLAGE, COLORADO, FOR THE PURPOSE OF PROVIDING EXPANDED MASS TRANSIT AND OTHER TRANSPORTATION SERVICES IN ACCORDANCE WITH THE SMART IGA; AND SHALL ALL AMOUNTS RECEIVED BY SMART FROM SUCH TAX INCREASES AND OTHER REVENUES AND EARNINGS THEREON BE COLLECTED AND SPENT WITHOUT LIMITATION OR CONDITION AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES/FOR _____ NO/AGAINST _____

APPENDIX D

INITIAL SERVICE PLAN

1. The Authority shall strive to deliver safe and reliable public transit services, and to consistently advocate and promote the use of multi-modal transit systems.
2. The Authority shall engage in comprehensive long range transportation planning under the direction of the San Miguel Authority for Regional Transportation Board with participation from the Advisory Committees and other regional stakeholders. Within the long range transportation planning process, an initial service plan shall be developed, which shall include but not be limited to the following elements:
 - a. Improved transit coordination, services and schedules;
 - b. A phased plan for transit related facilities and infrastructure;
 - c. A review and plan for specialized transit services, as outlined below (3-d).
 - d. Long term sustainable funding

The Initial Service Plan shall be subject to SMART Board Adoption.

3. The Authority shall consider enhancing or providing new transit services including but not limited to the following:
 - a. Transit serving Placerville/Down Valley, Norwood, Ridgway, Montrose, Ophir, Rico, and Cortez, including points between these jurisdictions.
 - b. Transit service for Lawson Hill and neighboring communities.
 - c. Transit service during shoulder season, special event, and Gondola backup between the towns of Telluride and Mountain Village.
 - d. Specialized services including paratransit, medical appointment, and senior transit.
 - e. Regional trail planning, construction and maintenance with an emphasis on the provision of multi-modal linkages and accessibility to and between transit services, neighboring communities and population centers.
 - f. Assuming intra-town services in a manner consistent with existing or improved levels of service subject to the agreement of the effected Member jurisdiction.
 - g. Funding for maintenance, repairs and improvement of the gondola aerial tramway system, between Mountain Village and Telluride consistent with the provisions of Section 6.02(f)(1) and 6.02(f)(2).

WORKFORCE HOUSING BRIEF

Introduction

The purpose of this document is to introduce the Telluride Foundation's **P3 Housing Collaborative Implementation Strategy (P3HS)** to address the current affordable housing¹ crisis in the Telluride region. Critical action is needed to identify, fund and build new housing to meet the existing and future needs of our local community. This Workforce Housing Brief outlines why developing new housing should be a critical priority for the community, potential development opportunities, and methods to accelerate the construction of housing to meet the demand.

Background

For the past year, The Workforce Housing Initiative, including Telluride Foundation staff and Board Member Dan Tishman, has been meeting with government planners to explore public private partnerships (P3) to provide housing for the region. This Workforce Housing Initiative facilitated and funded a study on local income-based market segments, developed a list of potential development parcels for P3 projects, and created financial models to demonstrate the structure of a viable P3 project. The Telluride Foundation considers itself a partner and facilitator in this important community issue, and this document reviews the findings from the Workforce Housing Initiative and provides recommendations for steps to help solve the regional shortage of housing.

1. Why Housing

The Telluride region is experiencing a critical shortage of affordable housing, including low-income, moderate-income and work force housing. Housing plays a critical role in people's lives. It is a major consumption item, a source of safety and stability, and a nationally encouraged means for accumulating wealth. It also shapes where people access education and pursue employment. This is a concern for governments and residents for the following reasons:

- **Wage leakage** - according to the San Miguel Regional Housing Authority, 2011 Housing Needs Assessment, of persons employed in the Telluride region, more than 30% commute; 50% of all wages earned in the Telluride region are spent outside the region. These wages earners are not only

¹For purposes of this paper, affordable housing refers to housing that is attainable based on locally generated household income, including low-income, seasonal, and workforce housing.

spending their discretionary funds on commuting expenses, but on purchasing goods and groceries and generating a tax base in other communities.

- **Carbon commute** - commuters contribute to clogged roads, decreasing the driving experience for all, and increase the region's carbon footprint. Vehicles are the single biggest contributor to our regional carbon footprint.
- **Economic mobility** - since the 1950s, a building block of household economic upward mobility and wealth creation has been investing in home ownership. Lack of home ownership opportunities and affordable rental housing options has been shown to be a major contributor to lack of family upward economic mobility.
- **Human capital** - critical to the vibrancy of a community is that people live where they work. A healthy thriving community needs a diversity of residents who have the time to engage and invest in civic life including, participating in government, boards and commissions, contributing to the community, volunteering, and attending community nonprofit, school, church and other activities.
- **Regional issue** -the impacts of a housing shortage and the benefits of additional housing units are truly regional issues, spread across Telluride, Mountain Village and San Miguel County. We have the opportunity to work together to benefit all, as well as build relationships and trust that can be applied to other regional projects, including transportation, economic development, broadband, etc. In addition, the lack of a serious housing plan "exports" our local problem to our neighboring communities like Norwood and Ridgway and creates tension and the appearance that we are unwilling or unable to address our own issues.

2. What We Know About Housing

We know that housing is a regional issue and that one government entity, working alone, cannot solve the problem. Currently all three governments and planning departments are looking at solutions to this issue.

We know that there are land parcels available that could provide real opportunities to address the affordable housing crisis. The hope is that these parcels could be purchased below market rate or donated by one of the government entities. As part of the Workforce Housing Initiative, regional planners identified 25+ parcels that could potentially be used to build significant affordable housing units.

We also know that the housing market in resort communities does not function normally. In a conventional market, demand drives supply in type, quantity and pricing. Because of the limited supply of viable land parcels, their associated high costs, and the relative higher cost of construction due to labor and materials costs, the resulting supply is naturally driven to the upper end of the spectrum. While there is significant demand for lower cost housing, there is little to no new supply.

DRAFT

3. Local Housing Markets

A variety of housing market types reflects the make-up of any community and its residents. While recognizing that not everyone wants to live where they work, it is important to provide the option for those that do. Telluride's housing markets include:

- a. **Low income**
 - Service sector jobs
 - Serve an economy based on tourism and construction
- b. **Middle market**
 - Year round employees
 - Teachers
 - Managers
 - Government employees
 - Fire, Police, Nursing (?)
- c. **Seasonal employees**
 - Ski resort
 - Seasonal service sector
 - TSRC scientists
- d. **High end**
 - Second homeowners

4. The Middle or Workforce Market Segment

In an ideal market, households are not spending more than 30% of their household income on housing. In many markets household income spent on housing exceeds 40% due to the lack of housing opportunities, high demand and market factors. As households spend more than 30%, other critical household spending gets squeezed out, including childcare costs, retirement savings, children's higher education savings, preventive healthcare, etc.

Middle market households are defined as households earning between 100% and 200% of Area Median Income (AMI). In 2015, AMI² equated to:

- 100% = \$70,000 per household
- 200% = \$140,000 per household

Assuming housing for this middle market could be priced at up to 30% of household income, the following target housing prices emerge:

- Ownership: \$337,000 to \$714,000
- Rental: \$1,750 to \$3,500 per month

² HUD estimate for San Miguel County & a household size of 2.5 persons

5. Housing Economics

How and what housing gets built depends on a number of factors, including the cost of land, the type of construction and materials, access to and cost of capital, government regulation, and market demand. For the four types of housing above, we understand the following about their markets:

- a. Low income -requires grants and public subsidy and has been the traditional focus of government.
- b. Middle market - there is significant demand and income from workers, but limited product because of marginal returns for private sector to build.
- c. Seasonal employees - there is significant demand, but no private sector incentive to build.
- d. High end - there is significant demand, notwithstanding a high cost to build, there is a proven track record for large financial returns.
- e. Mixed income - mixed income developments can include factors from the low income, middle market, and high end (e.g. a development with market-rate luxury condos and below market rate condos). This scenario allows for average returns rather than high returns or marginal returns, grouped with other incentives, this becomes more attractive for the private sector.

6. Households by Income

The following chart shows the number of households in each of the AMI household income brackets and the forecasted growth over the next 25 years. Highlighted is the band of \$75,000-140,000 AMI household income that represents the 100-200% of AMI markets. The lower part of the chart shows the percentage of the total AMI housing markets and the growth over time of the 100-200% AMI "middle market".

Description	2015	2020	2025	2030	2035	2040	2015-2040		
							Total	Ann. #	Ann. %
All Household Groups									
Less than \$10,000	152	153	150	143	133	121	-31	-1	-0.9%
\$10,000 to \$19,999	281	282	278	265	247	224	-57	-2	-0.9%
\$20,000 to \$29,999	370	372	366	349	325	296	-74	-3	-0.9%
\$30,000 to \$44,999	480	483	455	435	404	368	-92	-4	-0.9%
\$45,000 to \$59,000	583	587	577	552	513	467	-116	-5	-0.9%
\$60,000 to \$74,999	410	459	481	466	433	394	-16	-1	-0.2%
\$75,000 to \$99,999	560	656	757	877	971	1,009	449	18	2.4%
\$100,000 to \$124,999	379	443	512	596	704	845	466	19	3.3%
\$125,000 to \$149,999	137	160	185	215	254	305	168	7	3.3%
\$150,000 to \$199,999	146	170	197	229	271	325	179	7	3.3%
\$200,000 or More	294	343	397	462	546	655	361	14	3.3%
Subtotal	3,772	4,088	4,355	4,589	4,801	5,009	1,237	49	1.1%
Avg. Ann. Change		63	53	47	42	42			
Target Household Groups									
\$75,000 to \$99,999	560	656	757	877	971	1,009	449	18	2.4%
\$100,000 to \$124,999	379	443	512	596	704	845	466	19	3.3%
\$125,000 to \$149,999	137	160	185	215	254	305	168	7	3.3%
Subtotal	1,076	1,259	1,454	1,688	1,929	2,159	1,083	43	2.8%
% of Total	29%	31%	33%	37%	40%	43%			
Avg. Ann. Change		37	39	47	48	46			

Source: Woods & Poole Economics; Economic & Planning Systems

H:\03039-Telluride\Workforce Housing Study\Data\103039-5mg Forecast-WP0510-09-29-2015.docx\Forecast Table

7. Telluride Regional Housing Projects

Telluride, Mountain Village and the County all have a history and success of building or partnering to provide low income housing; however, these projects have been financed through tax credits, grants or HUD financing, with the government accepting the risk and managing either the sale or rental of the units. In addition, the funding sources for low income housing typically restrict these units to households making less than 60% AMI, and do not provide housing for the middle, including moderate income and workforce households.



8. Why Housing Now

As the middle continues to be squeezed out, land values go up, and housing prices increase, the importance of identifying creative, aggressive solutions becomes of critical importance. Key questions the Workforce Housing Initiative have identified are:

- What is the present value of housing?
- Why should we try and solve the housing shortage now versus waiting?

The chart below illustrates the annual and six-year cumulative benefits of building housing today vs. waiting six years for such housing to be built. In this example, by waiting an additional six years to build 20 units of workforce rental housing, the Town of Telluride would lose \$103,950 in retail sales tax, the community would lose up to \$2.3 million in local spending on goods and services, and 450,000 vehicle miles driven would occur as result of the workforce commuting.

WHY NOW: Advantage of Building Now vs. 6 Years from Now		
Development/Units	20	Town of Telluride rental units
Households	20	Number of households in development
AMI	150%	Average medium income
Household wages	\$ 110,000	Annually
Total household income	\$ 2,200,000	
Retail spend per HH	\$ 38,500	35% of wages spent on retail goods
Telluride retail spend per HH	\$ 19,250	50% Telluride capture of retail spend
Annual Community Benefits		
Town of Telluride Sales Tax Collected	\$ 17,325	Annual 4.5% sales tax collected
Total Local Spend in Community	\$ 385,000	Annually spent for good and services
Carbon Emissions Avoided	5850	Annual CO2 kg (Montrose commute)
Accumulation over 6 Years		
Town of Telluride Sales Tax Paid (6 yrs)	\$ 103,950	Over six (6) years
Total Local Spend in Community (6 yrs)	\$ 2,310,000	Over six (6) years
Carbon Emissions Avoided (6yrs)	450,000	Eliminate vehicle miles driven equivalent
Other Savings or Costs		
	Carbon social costs	Air quality, health and other issues
	Business employees	Recruitment and retention
	Quality of life	Less time commuting, etc.

9. Why Public Private Partnership (P3) Housing

P3 housing is an approach to solving housing development challenges through a coordinated effort between the public, private, and nonprofit sectors. Local government, which controls entitlements (zoning, fees, and the approval process) and may own land, partners with the private housing development sector to deliver projects that meet the goals of the local municipalities while utilizing the expertise and financing of private housing developers. One advantage of P3 housing is that it allows workforce housing to be built by the private sector, allowing governments to simultaneously focus on developing low-income or seasonal housing. P3 housing leverages the resources of multiple parties and has the following benefits:

- Enhances project feasibility and can accelerate the provision of housing
- Private sector reduces or shares government sector risk
- Taps private sector expertise and attracts private sector creativity and capital
- Broadens target market to include moderate and middle income housing
- Aligns public sector incentives (i.e., land, up-zoning, fee rebates, etc.) with private sector experience
- Brings lower cost equity to finance the project (capital stack)
- Doesn't necessarily require tax payer funding and minimizes public subsidy requirements
- Increases velocity of housing production

- Leverages and expands resources to produce housing (dollars and time)
- Leads to the ultimate present value of workers living in the community
- Frees up affordable housing units as occupants upgrade and move into work force housing

P3s are generally developer led and financed by private capital. Because P3 housing, by nature, calls for a partnership between the public and private sectors, the public sector involvement often takes form in a contribution of land. Policy can come into play, too, with entitlements, reductions in some requirements (i.e., parking), waivers/reductions of fees, as well as modifications of restrictions related to the occupancy, sale and/or leasing of the units. Restrictions, including affordable housing requirements, can be applied to P3s and could include the following:

- Live-work requirements
- Limit maximum return to the developer
- Buy-back conditions
- Target household income levels
- Financing layers (debt and equity structure) that distribute risk

As part of a P3 negotiation, governments would consider offering the following incentives:

- Donate land or low cost land lease
- Waive/reduce tap fees or other impact fees
- Waive/reduce permitting fees
- Donate legal and staff resources
- Build predictability into the approval process through shared investment and clearly articulated entitlement process
- Increase density in exchange for housing development
- Reduce parking requirements
- Allow a combination of mixed income units
- Consider other creative incentives that have been used elsewhere

10. Examples of Successful P3s

I. Vail

- Town of Vail Lion's Ridge Apartment Homes new-construction
- 112 deed-restricted rental units on 5.24-acre parcel for year round residents/employees

- One and two bedroom units will include four, three-story tall buildings
- All construction and costs of construction borne by the developer, Gorman
- Town of Vail invested \$8 million to ensure that the units remain deed restricted
- Town of Vail leased the underlying land to the developer with payments deferred up to 10 years

II. Sun Valley, Denver CO

- Quadrupled the density to nearly 1,400 units
- Mix of market rate, workforce, and affordable units, as well as retail, office and maker spaces
- Redevelops dated public housing project with a diverse set of low, moderate and market rate housing
- Partnership includes multiple public agencies, private, and nonprofit

11. Potential Development Parcels

The following chart summarizes the parcels that were identified as potential locations for affordable housing, including P3 housing projects:

Location	Parcel Name	Ownership	Zoning	# Units
Town of Mountain Village	8 Parcels from 16-70 unites/parcel in size	TMV and Private	Multi-Family	379
San Miguel County	10 Parcels from 5-32 unites/parcel in size	County	Single Family to Industrial	103
TMVOA	3 Parcels from 12-18 unites/parcel	TMVOA	Various	30
Town of Telluride	5 Parcels from 8 to 100 Unites/parcle in size	Telluride	Various	200
Down and Up Valley	Multiple 5-70 Acres parcel sizes	Private	Various	300



I. San Miguel County - Sunnyside, Ownership Townhomes, 20 Units

- 2-Bed: 15 units, 950 sf/unit
- 3-Bed: 5 units, 1,150 sf/unit
- 2.0 parking spaces per unit
- \$750,000 in additional site costs

	Scenario I: All Units @ 125% AMI	Scenario II: All Units @ 150%
AMI		
Average Unit Price	\$422,000	\$507,000
Total Project Cost	\$7.34M	\$7.34M
Cost per unit	\$367,000	\$367,000
Developer Equity	\$2.20M	\$2.20M
Developer ROI	10.0%	13.5%
Add. Fund./Gap Closure	\$1.58M	\$0
Cash subsidy per unit	\$79,200	\$0

II. Mountain Village, Lot 644 & 327: Rental 2-3 story walk-up, 24 Units

- 1-Bed: 6 units, 650 sf/unit
- 2-Bed: 12 units, 950 sf/unit
- 3-Bed: 6 units, 1,150 sf/unit
- 1.5 parking spaces per unit
- \$750,000 in additional site costs

Scenario I: Scenario II:

	All Units @ 125% AMI		50% @ 150% AMI & 50% @ 175% AMI
Average Unit Rent	\$1,980	per	\$2,580 per month
Total Project Cost	\$8.03M		\$8.03M
Cost per unit	\$334,000		\$334,000
Developer Equity	\$2.19M		\$2.19M
Developer ROI	10.0%		10.6%
Add. Fund./Gap	\$1.82M		\$0
Cash subsidy per unit	\$75,800		\$0

III. Telluride, Lot B, Rental 2 to 3 story walk -up, 35 units

- 1-Bed: 9 units, 650 sf/unit
- 2-Bed: 18 units, 950 sf/unit
- 3-Bed: 8 units, 1,150 sf/unit
- 1 parking space per unit
- No additional site costs

	Scenario I: All Units @ 100% AMI		Scenario II: 25% @ 125% AMI & 75% @ 150% AMI
Average Unit Rent	\$1,580	per month	\$2,280 per month
Total Project Cost	\$10.18M		\$10.18M
Cost per unit	\$290,700		\$290,700
Developer Equity	\$2.00M		\$2.65M
Developer ROI	10.4%		11.5%
Add. Fund./Gap	\$2.94M		\$0
Cash subsidy per unit	\$84,000		\$0

IV. Mountain Village, Sunshine Valley, 13 Rental Townhomes

- 2-Bed: 9 units, 890 sf/unit
- 3-Bed: 4 units, 1,040sf/unit
- Land Cost: \$690,300
- 1.0 tuck-under parking space per unit, plus 8 surface parking spaces
- Additional Costs - \$50,000 for a retaining wall and additional fill

	Scenario I: 70% @ 175% AMI & 30% @ 200% AMI
Average Unit Rent	\$2,991 per month

Total Project Cost	\$5.02M
Cost per unit	\$385,900
Developer Equity	\$1,52M
Developer ROI	8.7%
Add. Fund./Gap	\$0
Cash subsidy per unit	\$0

14. Conclusion and Action

P3 housing is a proven way to complement the existing efforts of the governments and to accelerate meeting the critical workforce housing shortage in the region. Waiting for the problem to go away or maintaining the current pace for housing product entering the market undermines the community and economic future of the region. Acting now enables the region to invest in the long-term economic and social sustainability for the region and make a deliberate and critical impact today.

As a demonstration of collaboration and commitment to this effort and an expression of intended common action, the Foundation suggests that the government boards consider the following action items in support of the P3HS.

- 1) Express your support and commitment for the P3HS by signing the attached Memorandum of Understanding (MOU) to address regional housing issues through Public Private Partnerships (P3) and increase the supply of moderate/workforce housing.
- 2) Designate a Staff level representative to work with the P3HS to refine potential parcels and creative incentives and help build the process to pilot P3 projects.
- 3) Jointly retain and fund an independent owner's representative (Representative) to work with the private and public sectors to implement the P3HS goals. The Representative will act on behalf of the governments' interests to provide a central point of contact, provide technical assistance, identify funding sources and development partners, align the common interests of the governments, and negotiate with interested private developers/investors. The Foundation is willing to help with the role definition, scoping and request for services and would consider being a funding partner.

- 4) Jointly identify and adopt an efficient development process and implementation schedule within the timeframes outlined in the MOU.

DRAFT



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 18

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of July 21, 2016
DATE: July 13, 2016
RE: Conceptual Work Session to Discuss a Proposed PUD Amendment, Rezoning with Density Transfer for Lot 105R1 (See Forever Village)

ATTACHMENTS

Exhibit A: Applicant Narrative
Exhibit B: June 19 Staff Report

UPDATE

Council held an initial work session with the applicant on May 19, 2016. Direction was given to them to come back with other options for a replacement community benefit. Staff and the Mayor met with the applicant on June 27th. A new aspect of the request is to include approximately 400 square feet located under the deck into the new unit. This area is part of open space tract OSP-3J, owned by the Town. In the attached narrative they have summarized a new community benefit replacement that includes:

- A cash contribution of \$60,000 that may be used for landscape maintenance, wayfinding signage or plaza improvements.
- As a condition of the PUD, place the new unit under a unit management agreement (UMA) like other units at See Forever.
- Place a 1% fee on monthly rents to be devoted to landscape maintenance unless the HOA takes over this responsibility.
- Reduce the Town's responsibility for the snowmelt system in the restaurant patio and the walkway to Lot 114.

It is premature to formalize an outcome to the PUD. However, it is a creative proposal that meets many of the concerns that were raised. Staff's initial thoughts about the proposal is there may be more need to control over the use of the unit as a hotbed, like through a deed restriction. The purpose of the cash payment could be for landscape maintenance, but also could be used for improvements to the See Forever plaza in terms of signage, furniture and/or art to make this public area more appealing and accessible

RECOMMENDATION

As outlined in CDC Section 17.4.6.E, any comments or general direction by the Council shall not be considered binding or represent any promises, warranties, guarantees and/or approvals

in any manner or form. A conceptual work session shall not be construed as a comprehensive review of the proposal under discussion, and as such, additional issues and/or concerns will most likely arise as part of the formal development review process.

EXECUTIVE SUMMARY

The Town and Dan Melissa Reedy have a shared interest in amending the See Forever PUD to convert the required restaurant space into a residential condominium unit because it is a failed community benefit. The restaurant failed due to the loss of the planned gondola that would have brought pedestrian traffic from once envisioned density on the Valley Floor and downzoning of the See Forever project. It is now necessary to adjust to market conditions to achieve the highest and best use for this space as a condominium land use that would be allowed via the PUD amendment process and lifting the restaurant deed restriction. The already provided \$2.6 million dollars in community benefits outlined in Table 2, the lost financial investment of by the Developer in excess of \$2 million in the restaurant shell space, and a good faith attempt to make the restaurant space viable should be significant to the Town when evaluating the conversion request and replacement community benefit package.

The restaurant space was first required by the See Forever Design Guidelines that were crafted by Ron Allred and reviewed and approved by the Town and incorporated into the Town Design Regulations. The restaurant space, snowmelt and plaza improvements at See Forever were also required to be provided by the Town pursuant to the Land Use Ordinance and Design Regulations in place at the time the See Forever PUD was being evaluated and approved. The project team therefore believes that the already required restaurant space was not a significant public benefit that weighed heavily into the Town's review and approval of the PUD granted variations, especially when the other provided community benefits cost an estimated \$2.6 million.

Dan and Melissa also desire to expand the new condominium unit underneath the deck of Unit A101 which is located on OS-3J that is owned by the Town. The land underneath the deck is approximately 400 sq. ft., not useable by the public and already has development located over such. Thus, the proposed expansion into an already developed area is a minor change in the big picture of See Forever and Town open space.

Dan and Melissa Reedy are proposing the following replacement community benefit package and consideration for the acquisition of the land under the deck of Unit A101:

1. **\$60,000 Cash Contribution.** This cash payment to the Town as a re is intended to pay for See Forever landscaping costs, Village Center wayfinding or other plaza improvements in the Village Center. The \$60,000 would pay for landscaping maintenance costs for approximately 10 to 12 years based on the current estimated \$5,000 per year costs.
2. **Hotbed Benefit.** This restriction would require the owners to place the new condominium unit into the See Forever short-term rental program and be subject to the Unit Management Agreement as long as the Town is responsible for maintaining the landscaping at See Forever.
3. **Landscaping Mitigation Fee.** A fee of 1% of the rental revenues for the new condo unit is proposed as a PUD restriction as long as the Town is maintaining the See Forever landscaping. The landscape mitigation fee and the hotbed restriction would go away in the event that the See Forever or third party agrees to pay for See Forever landscaping costs and the Town is released from landscaping administration and maintenance.

PROJECT NARRATIVE

Background

Alpine Planning is submitting this project narrative for Dan and Melissa Reedy (“**Applicants**”) who intend to purchase and convert the restaurant space at See Forever (“**Property**”) into a condominium unit (Exhibit A). The Applicants are under contract to purchase the “Garden Level” restaurant space and the associated first floor “COM₁” space. The Applicants are proposing to convert the restaurant shell space into a three bedroom condominium unit that is accessed from the parking garage “Garden Level Lobby” and by the elevator that is accessed through the COM₁ space. Part of the COM₁ space is currently used as a front desk and reception area for See Forever under a lease with the current owner. The Applicants are also purchasing four parking spaces in the garage that were required by the Town to serve the restaurant space with the intention to retain one space for the condominium unit to convert the other three spaces to parking units since they would no longer be needed for the restaurant use. The Applicants intend to construct the condominium for their personal use and also place the new unit into the See Forever Rental Program when they are not occupying the unit. The Applicants would also like to expand the restaurant shell space below the deck of Unit A101 for a master bedroom, with the expansion area containing approximately 400 sq. ft. Exhibit B shows the current condominium platting and layout of the restaurant space, the COM₁ space, the area below the deck of Unit A101 and the proposed floor plan for the condominium unit.

The approximate 400 sq. ft. area below the deck of Unit A101 is located on OS-3J that is owned by the Town of Mountain Village (“**Town**”). The land under the deck was owned by the See Forever developer, See Forever Ventures, LLC (“**SFV**”) and was a part of Lot 86R. As discussed below, Lot 86R was determined by the Town Design Review Board and Council to be unbuildable due to the old ridgeline restrictions. SFV therefore dedicated Lot 86R and three other lots to the Town as required by the PUD. The area below the deck of Unit A101 already has development located over it (an exterior deck) and is not useable by the public. The area under the deck has a dirt ground cover and is subject to a “Metro Services Perimeter Easement Agreement” that was established “...for the purpose of constructing, maintaining, repairing and using roof overhangs, decks, stone buttresses and subsurface footings in, on, over, through, and across the Easement Area”¹. The proposal to expand the unit below the deck space would require a subdivision application to slightly expand Lot 105R by approximately 400 sq. ft. to include the area below the deck. This subdivision would occur concurrently with a PUD amendment and would require the consent of the Town to replat OS-3J and to amend the Perimeter Easement. This expansion is critical to the success of the project since families are looking for rental units with additional beds, and the space below the deck allows for the creation of an appropriately sized master bedroom. The Applicants have offered additional consideration for the acquisition of the area below the deck as set forth in the community benefit package below.

The Town Council conducted a work session on the proposed restaurant conversion at the May meeting, with general direction to create a more significant community benefit and meet with Town staff to discuss options. It is our belief that the Council agreed that a restaurant is not viable due to the loss of the gondola from the Valley Floor and the highest and best use of that space would be a residential condominium.

¹ Reception Numbers 350621 and as amended at 379669 and 401598.

Restaurant Origin

The restaurant space was first required by the See Forever Design Guidelines that were reviewed and approved by both the Town and the original property owner, Ron Allred, in 1997 (Exhibit E). SFV acquired the See Forever project, which was subject to the See Forever Design Guidelines, from Ron Allred in 1998. The See Forever Design Guidelines envisioned a much larger development on the then designated ridgeline lots that included Lot 83R, Lot 84R, Lot 85R and Lot 86R with the restaurant overlooking the Valley Floor and a direct connection to the planned gondola terminal (Exhibit F). The restaurant space at See Forever was planned by Mr. Allred to be located immediately adjacent to the gondola terminal that originated from the Valley Floor. This gondola terminal was intended to connect Mountain Village to planned development on the Valley Floor that was envisioned in a 1980s Telluride Master Plan and would have provided critical foot traffic to the See Forever restaurant, the Village Center and the ski resort. The Valley Floor property was condemned by the Town of Telluride for limited open space uses using eminent domain which contributed to a significant loss of bed base and tourists to Mountain Village and eliminated the economic viability of the See Forever restaurant.

The restaurant space was also required to be provided within the See Forever development by the old Land Use Ordinance (“**LUO**”) and Design Regulations in place at the time the See Forever PUD was being evaluated and approved. The LUO included most of the See Forever lots in the Village Center definition, and lots within the Village Center were required to provide a restaurant space when 2,500 sq. ft. or more of commercial area was proposed (Exhibit G).

The restaurant requirement originally set forth in the See Forever Design Guidelines was memorialized as a community benefit in the 2002 resolution approving the final Planned Unit Development application (Exhibit C) and the associated Development Agreement for See Forever Plaza Phase III Planned Unit Development as recorded at Reception Number 350631 (“**PUD**”) (Exhibit D). It should be noted that the PUD and approving resolution required the restaurant to be encumbered by a deed restriction to be held by the Town and Telluride Ski and Golf. SFV, the Applicants and Telluride Ski and Golf have agreed to enter into an agreement to release the deed restriction.

PUD Community Benefits and Variations

Town staff indicated that a major PUD amendment is required to convert the restaurant space to a condominium unit because the PUD lists the restaurant as one of the community benefits of the PUD. Table 1 summarizes the PUD community benefits and variations. The major PUD variations shown in Table 1 allowed for an increase in the maximum height, maximum average height and ground floor occupancy. The PUD originally included some minor variations to the parking requirements that were subsequently removed by an amendment to the PUD, so there are no parking variances for the development. The design-related variations were relatively minor in comparison, with the DRB having the authority today to waive all of the Design Regulations. The Community Development Code did not incorporate the See Forever Design Guidelines.

It is important to review the community benefits and PUD variations in order to properly evaluate any changes to the community benefit package. In approving the See Forever PUD, the Town received significant community benefits. First, the Town determined that Lot 83R, Lot 84R Lot 85R and Lot 86R (“**Downzoned Lots**”) could not be developed as envisioned in the See Forever Design Guidelines due to ridgeline restrictions. The Town therefore required the Downzoned Lots to be rezoned from high density development sites to open space. The Town also required the density to be transferred to the Mountain Village Metro District without any compensation to SFV.

Table 1. Community Benefits and PUD Variations

Community Benefits	PUD Variations
Replat and rezoning of Lots 83R and 84R to Active Open Space OS3K and the Replat and Rezoning of Lots 85R and 86R to Active Open Space, OS3L to protect and preserve sensitive Ridgeline Lots	Increase in maximum height on (1) Lot 105R (Building A) from 60 feet to 70.75' (variation of 10.75 feet) on the south elevation; and (2) Lot 82R (Building B) from 60 feet to 73 feet on the south elevation.
The transfer of lots 83R, 84R, 85R, and 86R and the transfer of the corresponding 12 Condominium Units or 36 units of Density from the Owner to public ownership (the Mountain Village Metropolitan District)	Increase in the maximum average height on (1) Lot 105R from 48 feet to approximately 62 feet, a variation of 12.35 feet; and (2) Lot 82R from 48 feet to 62 feet, a variation of 13.96 feet.
The transfer of 2 Condominium Units or 6 units of Density from Lot 106R, See Forever Village Phase I, from the Owner to public ownership (the Mountain Village Metropolitan District)	Variation to allow for ground floor condominium unit occupancy when commercial area was required for ground level floors in buildings in the Village Center.
Provision of a restaurant restricted by deed on Lot 105R1	Variations to the See Forever Plaza Design Covenants that were adopted and incorporated into the old Design Regulations, including exterior material variations.
Provision of additional short-term bed base in the Mountain Village Core	Variation to roof pitch to allow for 4:12, 6:12, 8:12 and 12:12 on the Property. The old Design Regulations had an application process for variations to the Design Regulations that did not require a PUD so this did not require a PUD variation.
Construction of an observation deck with public amenities such as one (1) telescope and nature information on OS3J, OS3K and OS3L as shown on the Final PUD Plat and Final PUD Plans and directional signage thereto	Original parking variations were removed by the Third Amendment, so no parking variations for the project.
Construction of a trailhead connection from the Observation Deck to the trail to Telluride	
Construction of two (2) additional one-bedroom Employee Apartments un Lot 82RI, to create a total of three (3) one (1) bedroom Employee Apartments	

In addition to the rezoning of the Downzoned Lots, SFV indicated that it was also required to rezone all the See Forever Phase III Property located outside of the building footprints to open space and dedicate such areas to the Town. This land is now incorporated into Tract OS-3J. SFV indicated that the Town and Metro District required the property outside the building footprints to be rezoned and dedicated so the Town could maintain the open areas around See Forever building footprints pursuant to the PUD approvals and maintenance agreements in place in 2002.

The PUD also required SFV to transfer 14 condominium units of density to the Metro District for no consideration. The Metro District sold the 14 condominium units of density in 2003 (1 condo unit to Shirana Condos: \$15,000) and 2004 (13 units to Belvedere: \$97,500) for a total revenue of \$112,500. However, we

believe the Metro District sold these density units at a discounted value to achieve development objectives and therefore true market value may be higher. Table 2 summarizes the estimated \$2.6 million development costs of the PUD community benefits excluding the restaurant shell space.

Table 2. Community Benefit Estimated Costs

Community Benefit	Estimated Cost
Lots 83R, 84R, 85R and 86R Dedication to the Metro District	\$696,150 ²
14 Condominium Units to the Metro District in the Density Bank	\$112,500
Three Additional Employee Apartments	\$1,169,500 ³
Observation Area (Stone plaza, Snowmelt, Signs, Fire Pit, Wall, Grading, Etc.)	\$650,000
Total Estimated Community Benefit Costs	\$2,628,150

In addition to the costs outlined in Table 2, SFV incurred \$2.4 million of cost to-date towards the build out of the restaurant shell space and the COM1 space that includes the See Forever reception desk, full service bar, bathrooms, service elevator, stairways and parking spaces. It would be difficult to value the benefit of a restaurant to Mountain Village since the value of restaurants are mostly intangible with added activity, vitality and sales tax revenue. However, the value would have been negligible compared to other public benefits provided by SFV as noted above. In hindsight, now that the Valley Floor will not be developed and with critical pedestrian traffic lost, a restaurant at See Forever Village would not have been considered a public benefit. SFV incurred \$2.4 million in costs for a failed community benefit caused by no fault of SFV or the Town but by the Town of Telluride succeeding in its eminent domain, open space acquisition of the Valley Floor. The PUD provided approximately \$2.6 million in community benefits as outlined in Table 2 which is a substantial public benefit package in light of the variations listed in Table 1 and the investment in the failed restaurant space by SFV which assumed the total risk for this hoped town benefit. SFV and the Applicant’s believe that the \$2.6 million in community benefits supports the PUD variances as constructed. That said, the Applicant understands the need to provide some replacement community benefit as discussed below since the restaurant is listed as a benefit in the PUD.

Town Requirement for Snowmelt and Plaza Improvements

There may be a misperception that the See Forever restaurant space was somehow connected to the Town agreeing to pay the costs for maintaining the surrounding landscaping and snowmelt systems. This was not the case as discussed in the narrative above. The LUO and Design Regulations in effect at the time of the PUD approval required developers to pay for the design and construction of the snowmelt systems and associated pedestrian systems and plaza areas within 30 feet of a proposed building for all projects in the Village Center (Exhibit G). All See Forever lots are included in the Village Center definition and were therefore required to provide snowmelt, pedestrian paths and plaza improvements as required by the regulations. SFV was required to enter into a mutual agreement with Metro Services (now part of the Town) on the maintenance and operational costs pursuant to Conditions #15, #16 and #17 of the approving resolution (Exhibit C):

² Based on \$2,000,000 note on the See Forever Phase III Property that contained approximately 1.4 acres. We are researching the full purchase price since there was some equity behind the note.

³ Based on See Forever developer costs of \$500 per square foot for 2,339 sq. ft. in three units.

"#15. The Applicant is required to build the public improvements to the specifications provided by the Town regarding the appropriate pathway lighting fixtures, snow melt system and corresponding boiler system and pathway and plaza surfaces. Specifications will be mutually agreed upon by the Applicant and the Town.

#16. The Applicant is required to design the public improvements with separate systems from the proposed development; i.e., the public improvements will have separate gas meters, boilers and heaters for the snowmelt. In addition, the Applicant will provide 24-hour access to these systems to the Town and Metro Services to allow for repair and maintenance functions.

#17. The Applicant will provide to Staff a mutual agreement between Metro Services and See Forever Plaza Phase III and/or the respective HOA on the maintenance and operational costs of the pedestrian walkways and the public observation deck. This agreement shall be a condition of the Development Agreement required by the PUD application process."

The See Forever developer and the Metro District entered into a maintenance agreement with the District accepting maintenance of the public improvements, with the current agreement recorded at Reception Number 401159 stating:

"1. Service Maintenance Obligations. Effective as of the date of this Agreement, the Town accepts those public improvements identified in Exhibit A as "To be Maintained by Town" ("Public Improvements") and shall perform all necessary maintenance of the Public Improvements. Effective as of the date of this Agreement, the Town shall be responsible for the payment of all costs associated with such maintenance of the Public Improvements. The Town shall also be responsible for the operation of all utilities associated with the Public Improvements and shall pay all costs attendant thereto. The word "utilities", as used in this Agreement, shall include the electric for site lighting, gas for heating the walkways, water for the irrigation system, landscape maintenance and replacement, walkway repair, signage maintenance and repair."

It is important to note that Telski owned the open space areas surrounding the See Forever lots at the time the Town and Metro District were making these public improvement requirements and maintenance commitments, with the Metro District agreeing to maintain snowmelt and plaza areas on Telski land. The Town sought out the dedication of certain Telski open space lands in the early 2000s so that it could own, manage and control the open space lands it was maintaining, including the plaza areas and open space lands in the Village Center. Telski deeded OS-3J and other Village Center open space lands to the Metro District in 2004.

Replacement Community Benefit and OS-3J Consideration

The following are proposed as a replacement community benefit and as consideration for the proposed condominium expansion below the deck of Unit A101 that is located on Town owned land:

1. **Cash Contribution.** A cash contribution of \$60,000 is proposed with such funds to be used by the Town for See Forever landscaping maintenance, Village Center wayfinding or other Village Center plaza improvement. The current Town annual landscaping maintenance cost is approximately \$5,000 per

year, with the cash contribution providing approximately 12 years of landscaping maintenance savings to the Town.

2. **Hotbed Benefit.** The Applicants have agreed to a PUD restriction that requires the new condominium unit to be placed into the existing See Forever Village Unit Management Agreement (“UMA”) as set forth in Exhibit I. The essence of the UMA short-term rental program is to have The Peaks provide rental management, check-in/check-out services, housekeeping services, and marketing services. Guests can also use The Peaks facilities for a daily fee. The UMA also requires owners to notify them of dates they will be staying in their unit and provides incentives if the owner makes a unit available during peak rental periods. The Applicants cannot agree to a more restrictive agreement or deed restriction than the UMA because they do not want to further stigmatize the new condominium unit with additional hotbed restrictions that would significantly reduce the value of the property. The See Forever Village voluntary rental program has provide to be a successful rental or hotbed generator for the Town. A majority of See Forever owners participate in the program and most of the units are available for rental during peak periods. The Applicants would like the PUD to have a clause that allows for lifting the UMA restriction if the Landscaping Mitigation Fee outlined below is removed due to the See Forever HOA and/or third party agreeing to take over the full cost of landscaping. The Applicants intend to keep the unit in the rental pool even if the UMA restriction is lifted.
3. **Landscaping Mitigation Fee.** A 1% fee will be added to the rental revenues from the new condominium unit with such funds to be place in the See Forever Landscaping Fund. We are estimating that the fee would generate approximately \$3,285 annually based on a 50% average annual occupancy. In 12 years it is estimated this fee could add approximately \$39,000 to the See Forever Landscaping Fund⁴ which, when combined with the cash contribution fund discussed above, would cover the Town’s cost for landscaping for approximately 17 to 20 years depending upon inflationary costs and interest rates for the Landscaping Fund. We are proposing that this Landscaping Mitigation Fee would be eliminated in the event that the See Forever HOA and/or third party agrees to take over landscaping maintenance costs.
4. **Snowmelt Area Reduction.** The snowmelt area for the restaurant patio and the walkway leading to Lot 114 (Exhibit H) are proposed to be removed from Town snowmelt costs when the PUD amendment is approved and will be effective on the date the maintenance agreement is amended.

Conclusion

The initial See Forever Design Guidelines and later approved PUD contemplated a restaurant and was based on a gondola system transporting visitors from the Valley Floor and a higher buildout density at See Forever, both of which failed to become a reality. We must now adjust to market conditions to achieve the highest and best use for this space as a condominium land use that would be allowed via the PUD amendment process and lifting the deed restriction. The Applicants believe that the \$2.6 million dollars in community benefits outlined in Table 2, the lost financial investment by the Developer in the restaurant shell space and the Downzoned Lots and a good faith attempt to make the restaurant space viable should be significant to the Town when evaluating this request. We believe that there is a shared goal with the Town to amend the PUD and remove the restaurant deed restriction to allow for the productive use of this space that has been dormant for over 11

⁴ Based on an assumed, average lodging rate of \$1,700 per night for 182 days per calendar year.

years. The Applicants and their consulting team look forward to working with the Town on achieving this shared goal.

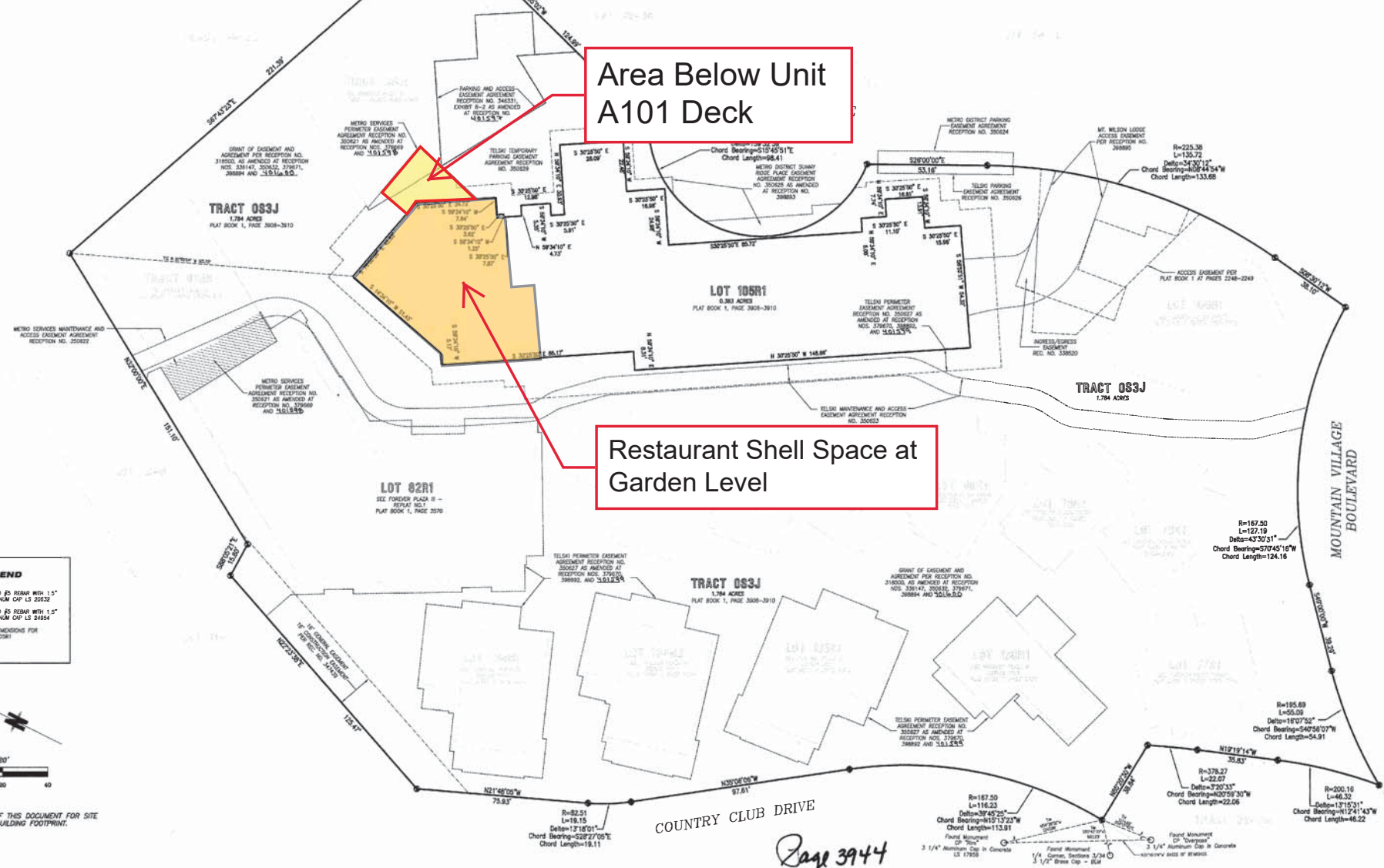
List of Exhibits

Exhibit	Content
Exhibit A	Site Map
Exhibit B	Conceptual Plans and Photos
Exhibit C	PUD Approving Resolution
Exhibit D	PUD Agreement
Exhibit E	See Forever Design Guidelines
Exhibit F	Original See Forever Platting and Downzoned Lots
Exhibit G	2001-2002 LUO and Design Guideline Summary
Exhibit H	Snowmelt Plan
Exhibit I	Unit Management Agreement

Exhibit A. Vicinity Map



3RD AMENDMENT TO SEE FOREVER VILLAGE AT THE PEAKS CONDOMINIUM MAP
 LOCATED ON LOTS 82R1 AND 105R1, TOWN OF MOUNTAIN VILLAGE,
 SECTION 34, T.43 N., R.9 W., N.M.P.M., TOWN OF MOUNTAIN VILLAGE, COUNTY OF SAN MIGUEL, STATE OF COLORADO
 SITE PLAN - LOT LAYOUT AND EASEMENTS



LEGEND

- FOUND #6 REBAR WITH 1" ALUMINUM CAP LS 20832
- FOUND #6 REBAR WITH 1" ALUMINUM CAP LS 24824
- 8' 00" WIDE LOT ENCROACHMENT FOR LOT 105R1



NOTE: SEE PAGE 3 OF THIS DOCUMENT FOR SITE IMPROVEMENTS AND BUILDING FOOTPRINT.

3rd Amendment to See Forever Village at The Peaks Condominium Map

Project No.:	300000001	Rev.:	008
Substation:			
Technician:			
Checked by:			
Start date:	10-07		

FOLEY ASSOCIATES, INC.
 970-728-0153 970-728-6050 fax
 P.O. BOX 1385
 125 W. PACIFIC, SUITE B-1
 TELLURIDE, COLORADO 81435

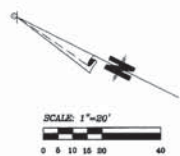
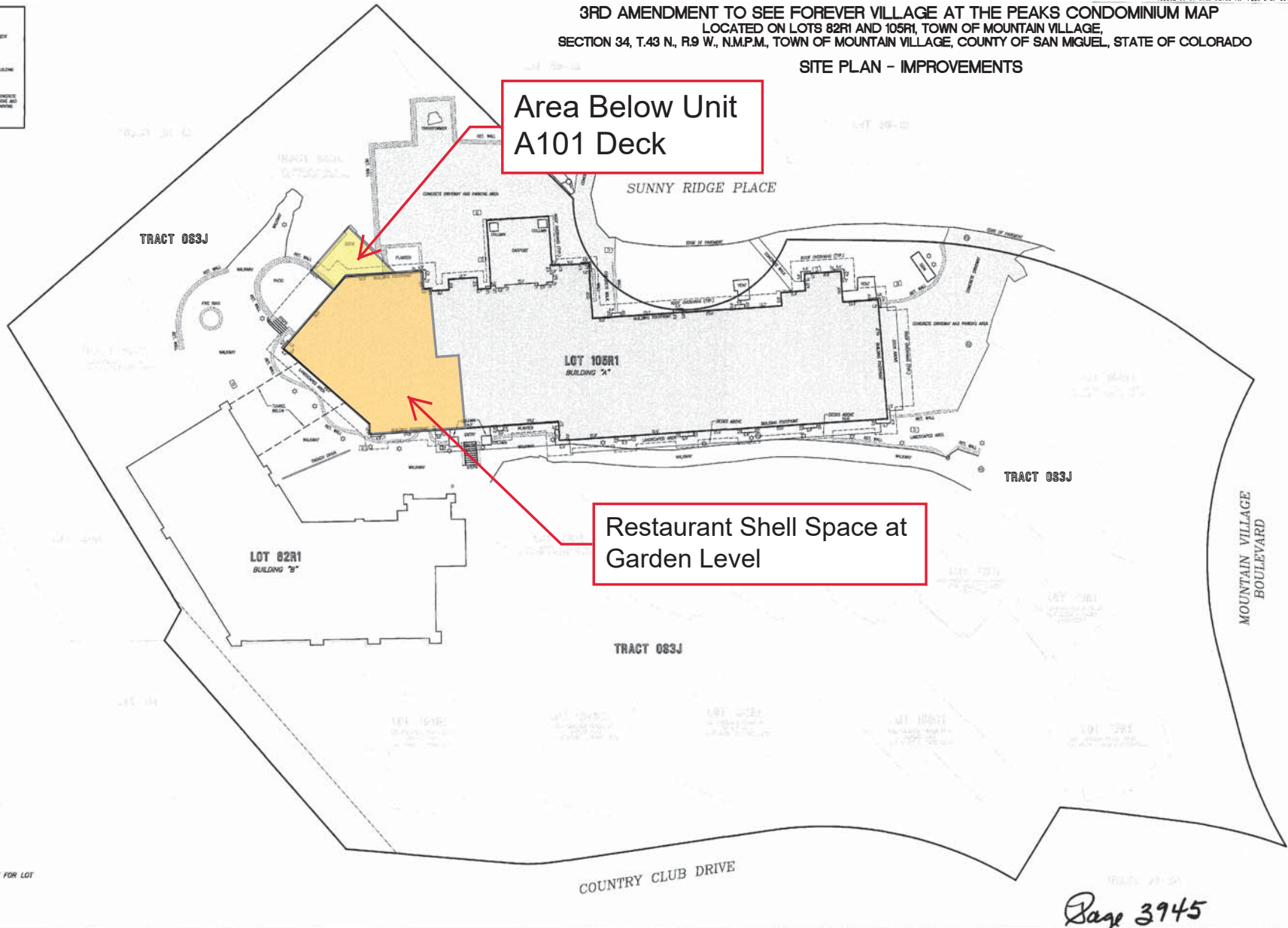
Drawing path: dwp\Conds 04-08\Condo Cover 04-08.dwg Sheet 2 of 10 Project #: 9028

3RD AMENDMENT TO SEE FOREVER VILLAGE AT THE PEAKS CONDOMINIUM MAP
LOCATED ON LOTS 82R1 AND 105R1, TOWN OF MOUNTAIN VILLAGE,
SECTION 34, T.43 N., R.9 W., N.M.P.M., TOWN OF MOUNTAIN VILLAGE, COUNTY OF SAN MIGUEL, STATE OF COLORADO

SITE PLAN - IMPROVEMENTS

LEGEND

	STONE AREA		DECK
	FIRE PIT		LAWN FELT
	SHRUB		BLAZINE
	ROOF ACCESS		CONCRETE DRIVEWAY AND PARKING AREA
	RETENTION WALL		CONCRETE FOUNDATION



NOTE: SEE PAGE 2 OF THIS DOCUMENT FOR LOT LAYOUT AND DIMENSIONS.

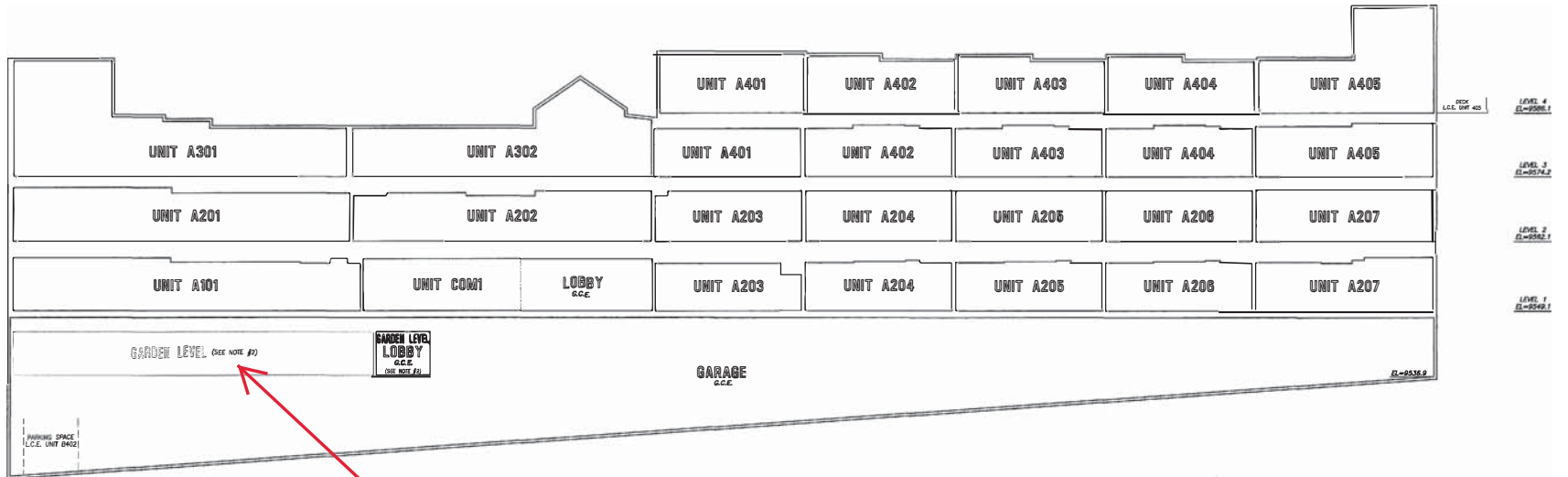
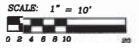
Page 3945

3rd Amendment to See Forever Village at The Peaks Condominium Map

Project Mgr:	dt
Technician:	dt
Checked by:	
Start date:	10-07

FOLEY ASSOCIATES, INC.
ARCHITECTURAL PLANNING CORPORATION

970-728-6153 970-728-6050 fax
P.O. BOX 1385
125 W. PACIFIC, SUITE B-1
TELLURIDE, COLORADO 81435



Restaurant Shell Space at Garden Level

NOTES:

1. THIS SHEET PROVIDES SUPPLEMENTARY AND EXPLANATORY NOTES TO THE PLANS AND DRAWINGS TO BE PROVIDED HEREIN. ALL NOTES SHALL BE CONSIDERED PART OF THE CONTRACT DOCUMENTS AND SHALL TAKE PRECEDENCE OVER ANY CONFLICTING INFORMATION.

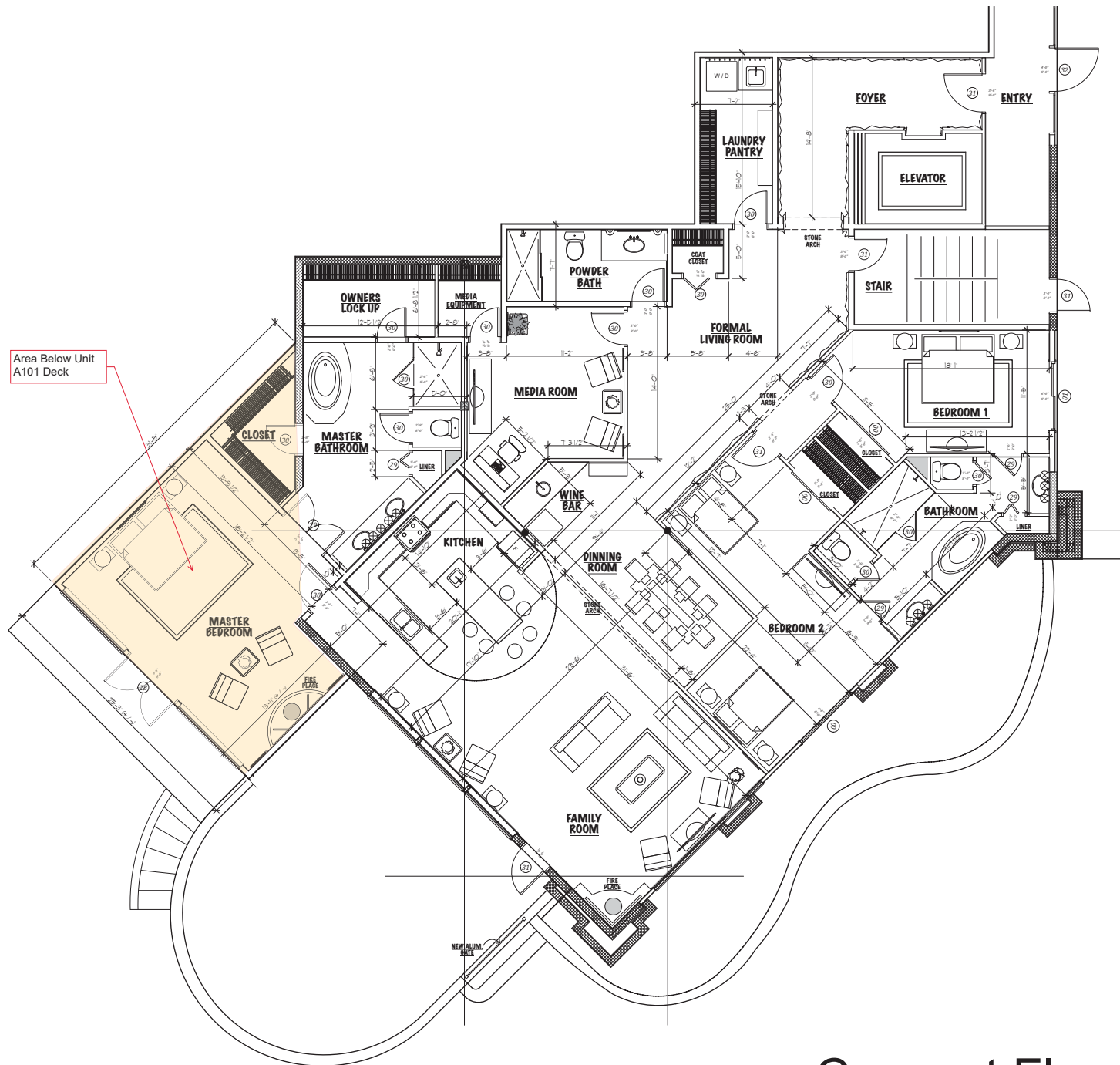
2. IN ORDER TO OBTAIN ALL OR SOME OF THE AREA INDICATED TO THIS GARDEN LEVEL RESTORATION, RESTORATION AS SHOWN, AN EASEMENT OF RESTORATION WILL BE REQUIRED. AS SHOWN, IF THE AREA IS TO BE RESTORED, THE RESTORATION SHALL BE SUBJECT TO THE RESTORATION AGREEMENT AND THE RESTORATION AGREEMENT SHALL BE SUBJECT TO THE RESTORATION AGREEMENT. THE RESTORATION AGREEMENT SHALL BE SUBJECT TO THE RESTORATION AGREEMENT. THE RESTORATION AGREEMENT SHALL BE SUBJECT TO THE RESTORATION AGREEMENT.

CROSS SECTION A-A FOR BUILDING "A"

Page 3952

3rd Amendment to See Forever Village at The Peaks Condominium Map

Project No.:	04-03	Scale:	1" = 10'	Drawn by:	JL	Checked by:	JL	Start date:	04-03
970-728-0663 970-728-6050 fax P.O. BOX 13885 125 W. PACIFIC, SUITE B-1 TELLURIDE, COLORADO 81435									



Concept Floor Plan





Area Under Unit A101 Deck

Exhibit C. Approving Resolution

**RESOLUTION OF THE TOWN COUNCIL
OF THE TOWN OF MOUNTAIN VILLAGE,
MOUNTAIN VILLAGE, COLORADO
APPROVAL OF FINAL PLANNED UNIT DEVELOPMENT APPLICATION
LOTS 82R, 83R, 84R, 85R, 86R, 87R, 88R, 105R, 134, 135, 135A, 136R
SEE FOREVER PLAZA III**

Resolution No. 2002-0514-11

Whereas, See Forever Ventures, LLC is the owner of record of real property described as, 87R, 88R, 105R, 134, 135, 135A, 136R Mountain Village; and

Whereas, See Forever Ventures, LLC has requested approval of a Final Planned Unit Development Application.

Whereas, See Forever Ventures, LLC is in compliance with the provisions of Article 3.5 of the Land Use Ordinance and with due consideration of the matters set forth in the application filed, this application does hereby seek approval of the Final Planned Unit Development.

Whereas, See Forever Ventures, LLC has specifically complied with Section 3-517, **Community Purposes, in the following manner:**

1. Replat and rezoning of Lots 83R and 84R to Active Open Space OS3K and the Replat and Rezoning of Lots 85R and 86R to Active Open Space, OS3L to protect and preserve sensitive Ridgeline Lots;
2. The transfer of lots 83R, 84R, 85R, and 86R and the transfer of the corresponding 12 Condominium Units or 36 units of Density on December 12, 2001 from the Owner to public ownership (the Mountain Village Metropolitan District);
3. The transfer of 2 Condominium Units or 6 units of Density from Lot 106R, See Forever Village Phase I, from the Owner to public ownership (the Mountain Village Metropolitan District);
4. **Provision of a restaurant restricted by deed on Lot 105R1;**
5. **Provision of additional short-term bed base in the Mountain Village Core;**
6. Construction of an observation deck with public amenities such as one (1) telescope and nature information on OS3J, OS3K and OS3L as shown on the Final PUD Plat and Final PUD Plans and directional signage thereto;
7. Construction of a trailhead connection from the Observation Deck to the trail to Telluride; and
8. Construction of two (2) additional one-bedroom Employee Apartments on Lot 82R1, to create a total of three (3) one (1) bedroom Employee Apartments.

Whereas, See Forever Ventures, LLC has specifically complied with Section 3-518, Review Standards, in the following manner:

1. The See Forever Plaza III PUD application is generally consistent with the underlying purposes and goals of the Land Use Ordinance and Design Regulations.
2. The See Forever Plaza III PUD application represents a creative approach to the development and use of land and related physical facilities and produces a better development than would otherwise be possible under strict application of the requirements of the underlying Zoning Designation, Zone District and Land Use and Density and provides amenities for residents of See Forever Plaza and the public in general.
3. The See Forever Plaza III PUD application is designed to be compatible with the surrounding environment, neighborhood and area relative to, but not limited to, architectural design, scale, bulk, building height, buffer zones, character, and orientation and does not adversely affect existing land uses and the future development of the surrounding neighborhood and area.
4. The landscaping and public spaces proposed by the See Forever Plaza III PUD application provides sufficient buffering of uses from one another to minimize adverse impacts and creates attractive public spaces consistent with the character of the surrounding environment, neighborhood and area.
5. The See Forever Plaza III PUD application provides sufficient parking and traffic circulation.

Whereas, the Design Review Board (DRB) considered this application, along with evidence and testimony, at a public meeting held on March 28, 2002. Upon concluding their review, the Board voted in favor of approval subject to certain conditions.

Whereas, the Town Council considered this application, along with evidence and testimony, at a public meeting May 14, 2002.

Whereas, the Design Review Board (DRB) considered this application, along with evidence and testimony, at a public meeting held on March 28, 2002. Upon concluding their review, the Board voted in favor of Final Planned Unit Development Approval for See Forever Plaza III and recommended approval to the Town Council subject to certain conditions.

Now, Therefore, Be It Resolved that the Town Council hereby grants Final Planned Unit Development Approval of See Forever Plaza Phase III, Lots 82R, 83R, 84R, 85R, 86R, 87R, 88R, 105R, 134, 135, 135A, 136R, Mountain Village, and authorizes the Mayor to sign the Resolution subject to the following:

1. Prior to construction, Applicant will provide a Site Plan for review and approval by the Telluride Fire Protection District.
2. Applicant will submit final routing and service locations as requested by Kinder Morgan prior to receiving a Building Permit.
3. The Applicant is responsible for repairing the damage, as determined by Staff, to Sunny Ridge Place, that occurs due to their construction of See Forever Plaza Phase III.
4. The Applicant is required to provide to Staff a detailed signage package with the Applicant's construction documents that illustrates the directional signage and lighting for the Gateway.
5. The Applicant will work with Telluride Ski & Golf Company to provide landscaping at the Gateway. The Landscaping will include documentation that illustrates that the gates for the

Gateway will be permanently open and unable to be closed.

6. The Applicant is required to designate one sign in the Observation Area to include information of the surrounding Flora and Fauna. In addition, the Applicant will add historical information to the Observation Area that pertains to the Region, specifically the Town of Mountain Village and Telluride. This additional requested information will include the location of the Telluride Historical Museum.
7. The Applicant will work with the owner of 109 See Forever to provide the owner two (2) alternatives to redesigning the walkway. The Applicant will finalize the discussion with the owner of 109 See Forever by April 22, 2002.
8. The Applicant must record any Resolution of approval for the Density Transfer, Replat and Rezoning and changes to the General Easement and the Development Agreement from Town Council and all required Easements and Restrictions prior to receiving a Development Permit.
9. The Applicant is required to comply with Section 5-101 of the Town of Mountain Village Land Use Ordinance and institute the employee housing restriction (EHR) covenant that runs fifty (50) years from the date of the recordation with the title to the property. Section 5-101 states the following:

“... This restriction on use and occupancy constitutes a covenant that runs fifty (50) years from the date of the recordation with the title to the property as a burden thereon and shall be binding on the owner and on the heirs, personal representatives, assigns, lessees and licensees and any transferee of the owner ...”
10. The Applicant is required to submit the Condominium Declaration for See Forever Plaza Phase III to Staff for review and approval of such provision prior to recordation of the Declaration in the records of the San Miguel County Clerk and Recorder and prior to receiving a Certificate of Occupancy. The Declaration shall contain a provision regarding interior fixed lighting restrictions affecting the north facing side of the penthouses on Lots 82R1 and 105R1. Such provision may not be amended without the prior written consent of the Town of Mountain Village Design Review Board. The Declaration shall contain a provision for the dedicated parking spaces for the Employee Apartments.
11. The Applicant is required to comply with Section 7-306-3 in its entirety. In addition, the Applicant must provide to Staff the recorded Deed Restriction for valet parking on the property that will run with the land and be a part of the recorded Condominium Plat and Declaration.
12. The Applicant will be required to return to the Design Review Board if any changes are made to the approved parking plan.
13. The Applicant is to work with Kinder Morgan to insure that there are no gas meters located in public view along the public walkways.
14. The Applicant is required to negotiate with the Town to clarify the specific areas of public improvements in which the Applicant is requesting Metro Services assume responsibility for the maintenance. Metro Services does not guarantee that it will accept all improvements on Active Open Space, in particular those that are related to direct access to the proposed buildings, in this application.
15. The Applicant is required to build the public improvements to the specifications provided by

the Town regarding the appropriate pathway lighting fixtures, snow melt system and corresponding boiler system and pathway and plaza surfaces. Specifications will be mutually agreed upon by the Applicant and the Town.

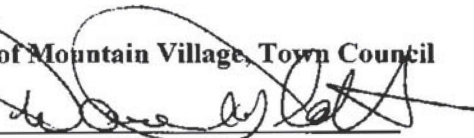
16. The Applicant is required to design the public improvements with separate systems from the proposed development; i.e., the public improvements will have separate gas meters, boilers and heaters for the snowmelt. In addition, the Applicant will provide 24-hour access to these systems to the Town and Metro Services to allow for repair and maintenance functions.
17. The Applicant will provide to Staff a mutual agreement between Metro Services and See Forever Plaza Phase III and/or the respective HOA on the maintenance and operational costs of the pedestrian walkways and the public observation deck. This agreement shall be a condition of the Development Agreement required by the PUD application process.
18. The Applicant is required to design and construct an internal heated gutter system and snow guard within the eave assembly. The proposed design for the system will need to be submitted for approval at a Design Review Board Work Session prior to the Applicant submitting construction documents. In addition, the Applicant will include in the Construction Plan submittal details of the approved interior gutter system including leads to the storm drain.
19. In order to provide the owners of condominium units constructed on the See Forever Property with the option of renting their units on a short-term basis and thus add to the short-term bed base for the Town, Owner or Owner's successors and assigns shall be obligated to notify the Town Manager in writing in the event that the Services Agreement dated April 15, 2000, as amended, by and between Owner and Telluride Resort and Spa, L.P., a Delaware limited partnership, Carefree Management, LLC and Wyndham Management Corporation, a Delaware corporation, as amended (attached hereto as Exhibit "G") ("Wyndham Services Agreement") is terminated by either party within ten (10) days of the date of such termination. Thereafter, Owner or Owner's successor and assigns (i.e. the unit owner's association for See Forever, Phase III) shall use their reasonable best efforts to enter into a similar agreement that fulfills the standard objective of the original Wyndham Services Agreement. Upon the formation of the unit owner's association required to be formed pursuant to C.R.S. 38-33.3-302, Owner shall cause the Wyndham Services Agreement to be assigned to the unit owner's association. The Declaration shall contain a provision setting forth the unit owner's association's obligation to use their reasonable best efforts to enter into a similar agreement that fulfills the standard objective of the original Wyndham Services Agreement in the event that the Wyndham Services Agreement is terminated.
20. Prior to the issuance of a Final Certificate of Occupancy by the Town for the later of Lot 82R or Lot 105R1, Owner shall, at Owner's sole cost and expense, (1) cause the Utility Easement recorded at Plat Book 1, Page 2783-2786 as reconfigured by the Final PUD Plat to be amended to reflect the as-built location of all utilities within such Utility Easement; (2) vacate the blanket Utility Easement recorded in the records of the San Miguel County Clerk and Recorder ("Blanket Easement"); and (3) record new utility easement(s) reflecting the as-built utility locations of the utilities installed within the area of the Blanket Easement. Owner shall provide an as-built survey of such utilities to the Town Building Official for review and approval at least thirty (30) days prior to the proposed issuance of such Final Certificate of Occupancy for the later of Lot 82R1 or Lot 105R1.
21. The Applicant is to submit updated, enumerated plans to Staff that represent the requested changes required by the Design Review Board in its Final Plan Review prior to receiving a Building Permit.

- 22. The Design Review Board reserves the right to revisit the amount of light per exterior fixture and if deemed necessary, the Board may require the Applicant to make the changes to decrease the illumination from the exterior fixtures.
- 23. The Applicant is required to repave Country Club Drive from the entrance to the Peaks Hotel to Lot 114, due to the amount of damage that will be caused to the road from the Applicant's construction.
- 24. Per the Town of Mountain Village Metropolitan District, the Applicant must insure that if the water and sewer lines are less than 10 feet apart then all joints must be encased concrete.
- 25. The Applicant's cable TV design must be approved by Peter Hale.
- 26. Per the Town of Mountain Village Metropolitan District, the Applicant must submit all utility construction details to the Building Department before receiving a Building Permit.
- 27. All conditions set forth by the Design Review Board and the Town Council in the Conceptual and Sketch PUD approval of See Forever Plaza Phase III are included as conditions of this Final Plan approval.
- 28. All representations of the Applicant, either within the submittal or at the Design Review Board and Town Council meetings, are conditions of Final Plan approval.

Be It Further Resolved that Pursuant to Section 3-511 that the Town Council has considered a draft of the PUD Development Agreement and that the Town Council further authorizes the Mayor and Town Manager to finalize the Development Agreement consistent with the terms and conditions of this Resolution NO. 2002-0514-11.

Be It Further Resolved that 82R, 83R, 84R, 85R, 86R, 87R, 88R, 105R, 134, 135, 135A, 136R is hereby finally approved as submitted in accordance with Resolution NO. 2002-0514-11 and subject to the PUD Development Agreement to be recorded in the records of the San Miguel County Clerk and Recorder.

Approved by the Town Council at a public meeting May 14, 2002.

Town of Mountain Village, Town Council
 By: 
 David C. Flatt, Mayor

Attest:
 By: 
 Linda Check, Town Clerk

Exhibit D. PUD Agreement

**DEVELOPMENT AGREEMENT
FOR
SEE FOREVER PLAZA PHASE III
PLANNED UNIT DEVELOPMENT**

THIS DEVELOPMENT AGREEMENT ("**Agreement**") for SEE FOREVER PLAZA PHASE III PLANNED UNIT DEVELOPMENT ("**See Forever Plaza Phase III PUD**") is entered into by and between the Town of Mountain Village, a home rule municipality and political subdivision of the State of Colorado ("**Town**"), and See Forever Ventures, LLC, a Delaware limited liability company ("**Owner**").

I. RECITALS

1.1 WHEREAS, Owner is the owner of certain real property presently described as:

Lots 82R, 87R, 88R and 105R, Town of Mountain Village, according to the plat recorded in Plat Book 1 at pages 2248-2249,

and

Lots 135 and 135A, Telluride Mountain Village, Filing 1, Replat No. 3, according to the plat recorded in Plat Book 1 at pages 577-583, and of Lot 134, Telluride Mountain Village, Filing 1, according to the plat recorded in Plat Book 1 at pages 476-486,

and

Lot 136R, See Forever Plaza, Phase One, according to the plat recorded in Plat Book 1 at pages 2783-2786;

(collectively the "**See Forever Property**").

1.2 WHEREAS, Telluride Mountain Village Resort Company, a Colorado non-profit corporation, doing business as Mountain Village Metropolitan Services, Inc. ("**Metro Services**") is the owner of certain real property presently described as:

Lots 83R, 84R, 85R, and 86R, Town of Mountain Village, according to the plat filed of record in Plat Book 1, page 3039
3042

County of San Miguel,
State of Colorado,

(collectively the "**Metro Services Property**")

1.3 WHEREAS, Metro Services and Telluride Ski & Golf Company, LLLP, a Colorado limited liability limited partnership ("Telski") are the owners of certain real property presently described as:

Tract OS-3, Filing 1, Telluride Mountain Village as recorded in Plat Book 1 at page 476 as further modified by subsequent plats recorded in the office of the Clerk and Recorder,

and

Tracts OS3H, OS3A-1, OS3A-2 and Tract OS3A-3 according to the plat recorded in Plat Book 1 at pages 2248-2249;

County of San Miguel,
State of Colorado,

(collectively, "Open Space Tracts").

1.4 WHEREAS, Owner submitted an application ("Application") to the Town for approval of a Planned Unit Development ("PUD") for the See Forever Property, Metro Services Property and Open Space Tracts (collectively, the "Property") pursuant to Section 3-5 of the Town of Mountain Village Land Use Ordinance ("LUO").

1.5 WHEREAS, at a public hearing on November 29, 2001, the Town of Mountain Village Design Review Board ("DRB") granted Conceptual PUD Plan approval to the Application pursuant to LUO Section 3-507.

1.6 WHEREAS, at a public hearing on December 11, 2001, the Town of Mountain Village Town Council ("Town Council") granted Conceptual PUD Plan approval to the Application pursuant to LUO Section 3-507.

1.7 WHEREAS, at a public hearing on January 24, 2002 the DRB granted Sketch PUD Plan approval to the Application pursuant to LUO Section 3-508.

1.8 WHEREAS, at a public hearing on March 28, 2002, the DRB granted Final PUD Plan approval to the Application pursuant to LUO Section 3-509.

1.9 WHEREAS, at a public hearing on April 9, 2002, the Town Council granted Final PUD Plan approval to the Application pursuant to LUO Section 3-510.

1.10 WHEREAS, after public hearing and comment thereon, the DRB and the Town Council found that (i) the See Forever Plaza Phase III PUD achieves one (1) or more of the applicable purposes listed in Section 3-517 of the LUO, and (ii) the resulting development will be consistent with the provisions of Section 3-518 of the LUO.

1.11 WHEREAS, the public hearings referred to above were preceded by publication of public notice of such hearing(s) on such dates and/or dates from which such hearings were continued in the *Telluride Watch*, and by mailing of public notice to property owners within one hundred fifty feet (150') of the Property, as required by the LUO.

1.12 WHEREAS, Owner has now met all requirements for final PUD approval and has addressed all conditions of final PUD approval as set forth by the DRB and Town Council.

NOW THEREFORE, the parties agree as follows:

II. CONSIDERATION

2.1 The consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Town and by the Owner, is the Town's final approval of the See Forever Plaza Phase III PUD upon all terms and conditions contained herein and the mutual obligations and promises set forth herein.

2.2 The Recitals and Consideration set forth above are incorporated herein as essential terms of this Agreement.

III. COMMUNITY PURPOSES AND REVIEW STANDARDS

3.1 The DRB and Town Council have determined that the See Forever Plaza Phase III PUD achieves one or more Community Purposes in accordance with LUO § 3-517 by providing the following public benefits:

- A. Conveyance of Lots 83R, 84R, 85R and 86R to Metro District by See Forever Ventures, LLC, which were subsequently conveyed to Metro Services;
- B. Rezoning of Lots 83R, 84R, 85R, and 86R to Active Open Space to protect and preserve sensitive Ridgeline Lots;
- C. Replat of Lots 83R and 84R to OS3K and Lots 85R and 86R to OS3L, and the transfer of the corresponding 12 Condominium Units or 36 units of Density from the Owner to public ownership (the Mountain Village Metropolitan District) as shown on the Final PUD Plat;
- D. The transfer of 2 Condominium Units or 6 units of Density from Lot 106R, See Forever Village Phase I, from the Owner to public ownership (the Mountain Village Metropolitan District) as shown on the Final PUD Plat;
- E. Provision of a restaurant restricted by deed on Lot 105R1;
- F. Provision of additional short-term bed base in the Mountain Village Core;

- G. Construction of an observation deck ("**Observation Deck**") with public amenities such as one (1) telescope and nature information on OS3J, OS3K, and OS3L as shown on the Final PUD Plat and Final PUD Plans and directional signage thereto;
- H. Construction of a trailhead connection from the Observation Deck to the Telluride Trail as shown on Exhibit "C" attached hereto; and
- I. Construction of two (2) additional one-bedroom Employee Apartments on Lot 82R1, to create a total of three (3) one (1) bedroom Employee Apartments.

3.2 The DRB and Town Council have determined that the See Forever Plaza Phase III PUD complies with the Review Standards set forth in LUO § 3-518.

IV. APPROVAL OF REPLAT

4.1 The DRB and Town Council have approved the replat of the Property as set forth on the See Forever Plaza Phase III Final Plat of the Property dated 8-1, 2002 ("**Final PUD Plat**"), recorded in Plat Book 1, at Page 30420n 8-1, 2002, in the records of the San Miguel County Clerk and Recorder simultaneously with this Agreement.

4.2 Metro Services and Telski have approved the Final PUD Plat.

4.2 Upon recordation of the Final PUD Plat, the Property shall consist of the Lot numbers and designations as set forth in Exhibit "B". The term "Property" as used in this Agreement shall also refer to the Property as reconfigured and replatted pursuant to the Final PUD Plat.

V. APPROVAL OF REZONING

5.1 The Property is currently Zoned and Platted as set forth on Exhibit "A".

5.2 The DRB and Town Council approved the Rezoning of the Property as set forth on Exhibit "B".

5.3 Metro Services and Telski have consented to and approved the Rezoning of their respective properties.

VI. APPROVAL OF DENSITY TRANSFER

6.1 The Zoning Designations and appurtenant Density currently approved for the Property is as set forth on Exhibit "A" attached hereto.

6.2 The DRB and Town Council have approved Density Transfers for and among the Property as follows:

- i. Three (3) Condominium Units, nine (9) persons of Density, from Lot 88R to Lot 82R1;
- ii. Six (6) Condominium Units, eighteen (18) persons of Density, from Lot 87R to Lot 105R1;
- iii. Two (2) Condominium Units, six (6) persons of Density, from Lot 135A to Lot 105R1;
- iv. Twelve (12) Condominium Units, thirty-six (36) persons of Density, from Lots 83R, 84R, 85R and 86R to the density bank for the benefit of Metro District;
- v. One (1) Condominium Unit, three (3) persons of Density, from Lot 134 to the density bank for the benefit of Owner or its assigns;
- vi. One (1.67) Condominium Unit, five (5) persons of Density, from Lot 136R to the density bank for the benefit of Owner or its assigns;
- vii. Three (2) Condominium Units, six (6) persons of Density, from Lot 106R to the density bank for the benefit of Metro District; and
- viii. One (1) Employee Apartment unit, one and one-half (1.5) persons of density, from the Town of Mountain Village to Lot 82R1 pursuant to LUO Section 3-104.

6.3 Metro Services consents to and approves the Density Transfers affecting the Metro Services Property.

6.4 The DRB and Town Council have approved, pursuant to LUO Section 3-104, the creation of one (1) additional Employee Apartment with a Density of one and one-half (1.5) persons to be allocated and appurtenant to Lot 82R1. A total of three (3) Employee Apartments, one (1) bedroom, shall be constructed on Lot 82R1. Such Employee Apartments shall be subject to and comply with LUO Section 5-101, Employee Housing Restriction ("EHR") AND Town of Mountain Village Employee Housing Restriction Ordinance No. 1997-05. The Town of Mountain Village Official Lot List shall be amended to reflect that Lot 82R1 is subject to the EHR and the Employee Housing Restriction Ordinance. The Colorado Common Interest Community Declaration ("Declaration") required pursuant to C.R.S. Section 33.3-38-209 for the development of the See Forever Property shall include a provision that provides that the use and occupancy of such Employee Apartments is restricted by the EHR and the Employee Housing Restriction Ordinance and that such provision may not be amended without the prior written consent of the Town of Mountain Village. Owner shall submit the Declaration to the Town

Planning Staff for administrative review and approval of such provision prior to recordation of the Declaration in the records of the San Miguel County Clerk and Recorder.

6.5 Upon approval of and recordation of this Agreement and the Final PUD Plat, the Zoning, Zoning Designations and appurtenant Density for the Property shall be as set forth on Exhibit "B".

VII. APPROVAL OF FINAL PUD PLANS

7.1 The DRB and Town Council have approved the plans, drawings and specification for the See Forever Plaza Phase III PUD which shall consist of the documents itemized in Exhibit "D" hereinafter referred to collectively as the "**Final PUD Plans**". The final construction plans and drawings for the See Forever Plaza Phase III PUD shall be incorporated into this Agreement by this reference upon approval by the Town of Mountain Village Building Department and shall be included in the definition of the "Final PUD Plans." Any amendments to the Final PUD Plans shall be processed in accordance with LUO § 3-520.

VIII. APPROVAL OF LUO AND DESIGN REGULATION VARIATIONS

8.1 The DRB and Town Council have approved the following variations from the LUO and Design Regulations for the See Forever Property:

A. HEIGHT VARIATIONS:

Town Council and DRB have approved a variation from Design Regulation § 8-107-1 to allow for an increase in the Maximum Height on (i) Lot 105R1 (Building A) from 60 feet to up to 75.75 feet and (ii) Lot 82R1 (Building B) from 60 feet to up to 78 feet as detailed on the Final PUD Plans.

Council and DRB have approved a variation from Design Regulation § 8-107-1 to allow for an increase in the Maximum Average Height on (i) Lot 105R1 (Building A) from 48 feet to 60.35 feet, and (ii) Lot 82R1 (Building B) from 48 feet to 61.96 feet as detailed on the Final PUD Plans.

B. PARKING VARIATIONS:

Town Council and DRB have approved a variation from Design Regulations § 7-306-1 to allow a decrease in the size of eight (8) underground parking garage spaces from 9' x 18' to 8' x 18'.

Town Council and DRB have approved eleven (11) full size (9' x 18') tandem parking spaces pursuant to Design Regulations 7-306-2, provided that 24 hours valet parking service is provided.

C. BUILDING MATERIALS VARIATIONS:

	Required Material per See Forever Guidelines	Requested Material
*	Stone – river rock	Telluride Gold Stone
*	Log Stain – Sherwin Williams Cottonwood #SW3040	Upper deck – semi transparent stain, amber hue at Cabins. Natural wood color at buildings A & B.
	Conventional framing with log siding and log accents or traditional stacked logs	2X12 boards with chinking between at Buildings A & B
*	Roof Shake, American Cedar wood “Royal Shake”, seasoned gray	Hand split and re-sawn Red Cedar; 18” long and ¾” thick at cabins, standing seam aged patina copper roof at Buildings A & B
*	Windows and French Doors shall be stained wood, true-divided light only	Metal Clad doors and windows. Where divided lites occur, to be simulated with spacer bars between panes
*	Exterior hardware Wrought iron levers by Southwest Door Co. Model 8007-8107PS	3-1/2” x 13” Escutcheon with French Twist lever by Rocky Mountain Hardware, Silicon Bronze, Dark Patina/ card key locks for front doors and lock-off doors.
*	Exterior lighting – Arroyo Craftsman, Berkeley M-A41	See Final PUD Lighting Plan
	Roof Form Gable roofs with gable dormers only - hip roofs are not permitted	Gable, Hip and Shed roofs

D. ROOF PITCH VARIATION:

Town Council and DRB have approved a variation from Design Regulations § 8-201-1 to allow a variance in roof pitch to 4:12, 6:12, 8:12 and 12:12 on the Property as detailed in the Final PUD Plans.

E. GROUND FLOOR OCCUPANCY VARIATION:

Town Council and DRB have approved a variation from LUO § 3-207-6 to allow for ground floor residential occupancy on Lots 82R1, 134R1, 134R2, 135R1, 136R1 and 105R1.

IX. ADDITIONAL CONDITIONS OF APPROVAL

9.1 **RECORDATION OF EASEMENTS.** The recordation in the records of the San Miguel County Clerk and Recorder of the following easements as shown on the Final PUD Plat shall be a condition of the recordation of the Final PUD Plat and this Agreement:

- A. Hiking Trail Easement as reserved in Deed recorded at Reception No. 346331;
- B. Parking and Access Easement as reserved in Deed recorded at Reception No. 346331;
- C. Observation Area and Facilities Easement as reserved in Deed recorded at Reception No. 346331;
- D. 16' Construction Easement recorded at Reception No. 347439;
- E. Metro Services Perimeter Easement Agreement recorded at Reception No. 350621
- F. Metro Services Maintenance and Access Easement Agreement recorded at Reception No. 350622
- G. Telski Maintenance and Access Easement Agreement recorded at Reception No. 350623
- H. Metro District Parking Easement Agreement recorded at Reception No. 350624
- I. Metro District Sunny Ridge Place Easement Agreement recorded at Reception No. 350625;
- J. Telski Parking Easement Agreement recorded at Reception No. 350626
- K. Telski Perimeter Easement Agreement recorded at Reception No. 350627

- L. Blanket Utility Easement Agreement recorded at Reception No. 350628
- M. Telski Temporary Parking Easement Agreement recorded at Reception No. 350629; and
- N. Second Amendment to Grant of Easements and Agreement recorded at Reception No. 350630

9.2 **RECORDATION OF AS-BUILT UTILITY EASEMENTS.** Prior to the issuance of the Final Certificate of Occupancy by the Town for the later of Lot 82R or Lot 105R1, Owner shall, at Owner's sole cost and expense amend the legal descriptions for the (i) Grant of Easements and Agreement recorded at Plat Book 1, Page 2783-2786, as amended; and (ii) Blank Utility Easement Agreement recorded at Reception No. 350628 reflect the as-built location of all utilities within such easements. Owner shall provide an as-built survey of such utilities to the Town Building Official for review and approval at least thirty (30) days prior to the proposed issuance of such Final Certificate of Occupancy for the later of Lot 82R or Lot 105R1.

9.3 **RECORDATION OF RESTURANT DEED RESTRICTION.** The recordation in the records of the San Miguel County Clerk and Recorder of the Deed Restriction set forth in Exhibit "E" restricting the use of no less than 4,000 square feet on Lot 105R1 shall be a condition of the recordation of the Final PUD Plat and this Agreement.

9.4 **RECORDATION OF VALET PARKING DEED RESTRICTION.** Pursuant to Design Regulations 7-306-3, the Owner shall record in the records of the San Miguel County Clerk and Recorder the Deed Restriction set forth in Exhibit "F" providing for 24 hour valet parking services on the See Forever Property prior to receipt of the first temporary Certificate of Occupancy for the See Forever Property. In addition, the Declaration and the associated condominium plat shall contain a provision obligating the owner's association to operate the required valet parking services. The owner's association shall have the right to contract with a third party for the operation of such valet parking services, however, the owner's association may not assign this obligation without the prior written consent of the Town, which consent shall not be unreasonably withheld. Owner shall submit the Declaration and the associated condominium plat to the Town Planning Staff for administrative review and approval of such provisions prior to recordation of the Declaration and the associated condominium plat in the records of the San Miguel County Clerk and Recorder.

9.5 **WYNDHAM SERVICES AGREEMENT.**

In order to provide the owners of condominium units constructed on the See Forever Property with the option of renting their units on a short-term basis and thus add to the short-term bed base for the Town, Owner or Owner's successors and assigns shall be obligated to notify the Town Manager in writing in the event that the Services Agreement dated April 15, 2000, as amended, by and between Owner and Telluride Resort and Spa, L.P., a Delaware limited

partnership, Carefree Management, LLC and Wyndham Management Corporation, a Delaware corporation, as amended (attached hereto as Exhibit "G") ("Wyndham Services Agreement") is terminated by either party within ten (10) days of the date of such termination. Thereafter, Owner or Owner's successor and assigns (i.e. the unit owner's association for See Forever, Phase III) shall use their reasonable best efforts to enter into a similar agreement that fulfills the standard objective of the original Wyndham Services Agreement. Upon the formation of the unit owner's association required to be formed pursuant to C.R.S. 38-33.3-302, Owner shall cause the Wyndham Services Agreement to be assigned to the unit owner's association. The Declaration shall contain a provision setting forth the unit owner's association's obligation to use their reasonable best efforts to enter into a similar agreement that fulfills the standard objective of the original Wyndham Services Agreement in the event that the Wyndham Services Agreement is terminated. Owner shall submit the Declaration to the Town Planning Staff for administrative review and approval of such provision prior to recordation of the Declaration in the records of the San Miguel County Clerk and Recorder.

9.6 LIGHTING RESTRICTIONS. The Declaration shall contain a provision that the interior fixed lighting in the north facing side of the penthouses on Lots 82R1 and 105R1 shall not be changed from the final lighting plan to be approved by the Town of Mountain Village Building and Planning Departments pursuant to the construction documents to be submitted by Owner. Such provision may not be amended without the prior written consent of the Town of Mountain Village Design Review Board. Owner shall submit the Declaration to the Town Planning Staff for administrative review and approval of such provision prior to recordation of the Declaration in the records of the San Miguel County Clerk and Recorder.

9.7 METRO SERVICES MAINTENANCE AGREEMENT. Prior to the acceptance by Metro Services of any of the Public Improvements pursuant to Article IX below, Owner and/or the unit owner's association formed pursuant to C.R.S. § 38-33.3-302 and Metro Services shall execute a maintenance agreement providing the terms for the maintenance and operational costs of maintaining the Public Improvements. Attached hereto as Exhibit "H" is a site plan indicating those Public Improvements that Metro Services WILL NOT accept and assume normal maintenance responsibilities therefor upon compliance with paragraph 10.6 below and the operational costs of maintenance.

9.8 CONSTRUCTION SCHEDULE AND CONSTRUCTION STAGING PLAN. Owner shall construct the improvements approved under the See Forever Plaza Phase III PUD according to the construction schedule set forth in Exhibit "I" ("Construction Schedule") and in accordance with the Construction Staging plan contained in the Final PUD Plans. Building permits for the construction of the improvements shall only be issued in accordance with the Construction Schedule. Pursuant to LUO § 3-512, a building permit shall not be issued until this Agreement has been recorded pursuant to paragraph 12.1 below.

X. CONSTRUCTION OF PUBLIC IMPROVEMENTS

10.1 CONSTRUCTION OF PUBLIC IMPROVEMENTS. The Owner agrees to complete, at Owner's sole cost and expense, the construction of those certain public

improvements set forth in Exhibit "J" ("Public Improvements") and as more fully detailed in the Final PUD Plans.

10.2 OWNER'S CONSTRUCTION OBLIGATION AND STANDARDS. The Owner shall construct and complete all required Public Improvements in accordance with this Agreement, the Construction Schedule and the Final PUD Plans and in compliance with all laws, regulations, standards, specifications and requirements of the United States, the State of Colorado, the Town of Mountain Village, the Telluride Fire Protection District, Metro Services, Mountain Village Metropolitan District and all their pertinent agencies.

10.3 COMPLETION OF PUBLIC IMPROVEMENTS. All of the Public Improvements shall be fully completed prior to and shall be a condition of the issuance of a final Certificate of Occupancy for the later of Lot 82R1 or Lot 105R1.

10.4 COLLATERAL. To secure and guarantee performance of its obligations as set forth herein, Owner shall provide the Town with collateral in an amount equal to 150% of the uncompleted portion of the Public Improvements as shall be determined by the Town Building Official in the form of: (i) certified funds, or (ii) irrevocable letter of credit from a lending or financial institution in good standing in the state of Colorado and in a form reasonably satisfactory to the Town Manager. If certified funds are provided as collateral, they shall be deposited by the Town in a separate interest-bearing account with any interest accruing to the benefit of Owner. Such collateral shall be posted as a condition of and shall be due upon issuance of a temporary Certificate of Occupancy for Lot 105R1. If the Public Improvements have been finally and fully completed prior to the issuance of a temporary Certificate of Occupancy for Lot 105R1 no collateral shall be due and owing from Owner as a condition of the issuance of the temporary Certificate of Occupancy.

10.5 USE OF COLLATERAL BY TOWN. If the Town Manager determines that reasonable grounds exist to believe that the Owner is failing or will fail to construct or install the Public Improvements as required by this Agreement, the Town Manager shall notify the Owner in writing and send by registered mail, return receipt requested that: (i) the Town intends to draw on the collateral for the purpose of completing the Public Improvements; (ii) the specific reasons therefore; and (iii) Owner may request a hearing before the Town Council on the matter, such request to be made no less than fifteen (15) days from the date of the notice. Should a hearing not be requested within (15) fifteen days, or should the Town Council conduct a hearing and thereafter determine that the Owner is failing or has failed to satisfactorily install the required Public Improvements, the Town may thereafter draw on the collateral as necessary solely for purposes of paying for the costs of constructing the Public Improvements. In such event the Town shall be entitled to recover such costs as are reasonable to administer the construction of the Public Improvements.

10.6 APPROVAL AND ACCEPTANCE OF PUBLIC IMPROVEMENTS.

A. Upon completion of all of the Public Improvements Owner shall notify the Town Manager and request inspection. The Town Building Official shall promptly inspect all such

Public Improvements within thirty (30) days after the date of Owner's request and promptly notify the Owner in writing of non-approval or approval. If such Public Improvements are not acceptable, the reasons for nonacceptance (which shall be limited to the failure of the Public Improvements to have been constructed in accordance with this Agreement and the Final PUD Plans) shall be stated and corrective measures shall be outlined in a written notice by the Town Building Official. The Owner shall thereafter undertake reasonable measures to correct the Public Improvements and upon completion thereof Owner shall request a re-inspection of the Public Improvements. The Town Building Official shall not be required to make inspections during any period when climatic conditions make thorough inspections impractical.

B. Acceptance of all the Public Improvements by Metro Services Board of Directors shall be a condition of the issuance of a final Certificate of Occupancy for the later of Lot 82R1 or Lot 105R1. Upon acceptance of all of the Public Improvements by the Metro Services Board of Directors the Town shall release all collateral posted by the Owner and thereafter Metro Services shall assume normal maintenance responsibilities for the Public Improvements.

10.7 Pursuant to LUO § 3-519-5, Owner shall warrant to the Town and Metro Services the quality, workmanship and function of all the Public Improvements for a period of two (2) years after Final Acceptance by the Metro Services Board of Directors, or until July 1 of the year during which the second winter terminates after Final Acceptance by the Metro Services Board of Directors, which ever is greater.

10.8 Pursuant to LUO § 3-519-3, Owner agrees to repair any existing improvements or facilities damaged during construction and such other items as the Town Manager or Town Building Official deems reasonably appropriate as a result of an act or omission of the Owner or any of its employees, agents or independent contractors.

XI. VESTED RIGHTS

11.1 **SITE SPECIFIC DEVELOPMENT PLAN.** The Town Council Resolution No. 2002-0514-11 approving the See Forever Plaza Phase III PUD, the Final PUD Plans and this Development Agreement constitute a "site specific development plan", pursuant to LUO Section 3-510-4.

11.2 **VESTED REAL PROPERTY RIGHT.** Accordingly, this final approval of a site specific development plan has created for Owner's benefit a "vested real property right" as defined by C.R.S. § 24-68-101 et seq., and this development agreement shall be considered a "development agreement" as that term is used in C.R.S. § 24-68-104, provided, however, Owner acknowledges that the Town does not represent, warrant or guarantee that the duration of this site specific development plan will be extended beyond three (3) years by the Town.

11.3 **DURATION.** For purposes of this Agreement, the above-referenced vested real property right shall remain vested for three (3) years after May 14, 2002, (the date of the Town Council approval of Resolution No. 2002-0514-11). The approvals set forth in Town Council

Resolution No. 2002-0514-12 (i.e. replat, rezone, easements and density transfer) shall not expire after such three (3) year vesting period.

11.4 **PUBLICATION.** A notation of such vested real property right shall be made on the Final PUD Plans. The Town shall promptly cause to be published, at Owner's cost, a notice of such vested rights in the *Telluride Watch*.

11.5 **RELIANCE.** The Owner has relied upon the creation of such vested real property right in entering into this Agreement. The parties acknowledge that the Owner shall not have an affirmative duty to commence construction of this site specific development plan.

11.6 **FUTURE LEGISLATION.** During the three (3) year period in which the vested real property right shall remain vested, the Town shall not impose by legislation or otherwise any zoning or land use requirement or obligations upon Owner or their successors or assigns which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay the development or use of the See Forever Property as set forth in the site specific development plan, except:

- A. With the consent of the Owner; or
- B. Upon the discovery of natural or man-made hazards on or in the immediate vicinity of the See Forever Property, which could not reasonably have been discovered at the time of vested rights approval, and which, if not corrected, would pose a serious threat to the public health, safety and welfare; or
- C. To the extent that compensation is paid, as provided in Title 24, Article 68, CRS.

The establishment of such vested real property right shall not preclude the application of ordinances or regulations which are general in nature, related to health, safety and welfare and applicable to all property subject to land use regulation by the Town, including, but not limited to, fee assessments and building, fire, plumbing, electrical, mechanical, water and sewer codes and ordinances.

XII. MISCELLANEOUS

12.1 **REMEDIES FOR BREACH OR DEFAULT.** In the event Owner, or its successor in interest, should fail to perform or adhere to its obligations as set forth herein, and such failure continues for a period of thirty (30) days after the Owner receives written notice by registered mail, return receipt requested from the Town describing the failure in reasonable detail, then the Town shall have the following remedies against the Owner, or its successors and assigns, which remedies are cumulative and non-exclusive:

- A. Specific performance;

B. Injunctive relief, both mandatory and or prohibitory;

C. Denial, withholding, or cancellation of any building permit or any other authorization authorizing or implementing the development of the See Forever Plaza Phase III PUD and/or any structure or improvement to be constructed on the Property; and/or

D. In the event of a material breach of this Agreement or default under Paragraphs 9.2, 9.4, 10.3, 10.4 and 10.6(B) hereof, denial or withholding of any Certificate of Occupancy for any structure or improvement to be constructed on the Property.

12.2 **INDEMNITY.** Except as otherwise set forth herein, the Owner shall defend and hold the Town harmless from and against any and all claims, demands, liabilities, actions, costs, damages, and reasonable attorney's fees that may arise out of or result directly or indirectly from the Owner's failure to comply with the terms and conditions of this Agreement, including without limitation, Owner's defective design or construction of the Public Improvements or Owner's failure to construct or complete the same. After inspection and acceptance by the Metro Services Board of Directors, and after expiration of any applicable warranty period, this agreement of indemnity shall expire and be of no future force or effect.

12.3 **ATTORNEY FEES.** In the event of any action, proceeding or litigation between the Town and the Owner concerning this Agreement, the prevailing party shall be entitled to collect its reasonable legal fees and costs, including the reasonable value of salaried attorney's time. Any state court litigation to enforce the terms of this Agreement shall be commenced in San Miguel County, Colorado and venue shall be restricted to such county.

12.4 **BINDING EFFECT.** This Agreement shall extend to, inure to the benefit of, and be binding upon the Town and its successors and assigns and, except as otherwise provided herein, upon the Owner, its successors (including subsequent owners of the See Forever Property, or any part thereof), legal representatives and assigns. This Agreement shall constitute an agreement running with the See Forever Property until: (a) modification or release by mutual agreement of the Town and the Owner or their successors and assigns; or (b) expiration of the term hereof. Upon the conveyance of the See Forever Property by See Forever Ventures, LLC to a different entity or person, and provided that the Owner is not in default hereunder at the time of conveyance, then upon the conveyance of the See Forever Property the Owner shall have no liability under this Agreement for any act or omission occurring after the date of such conveyance; provided, that the third party transferee shall assume all liability for any act or omission arising under this Agreement.

12.5 **AUTHORIZATION.** The parties hereto warrant they are fully authorized to execute this Agreement and have taken all actions necessary to obtain such authorization.

12.6 **NOTICES.** All notices required hereunder shall be deemed delivered to the parties five (5) calendar days after posting the same postage prepaid by certified mail, return receipt requested, and addressed as follows:

To the Town:

Kathy Mahoney
Town Manager
Town of Mountain Village
113 Lost Creek Lane
Mountain Village, Colorado 81435

To the Owner:

See Forever Ventures, LLC
c/o Abrams Development Corp.
Attn: F. John Abrams
457 Mt. Village Blvd., Ste. 2211
Mountain Village, Colorado 81435

12.7 **SEVERABILITY.** If any term or provision or Article of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the applications or such term or provision or Article to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

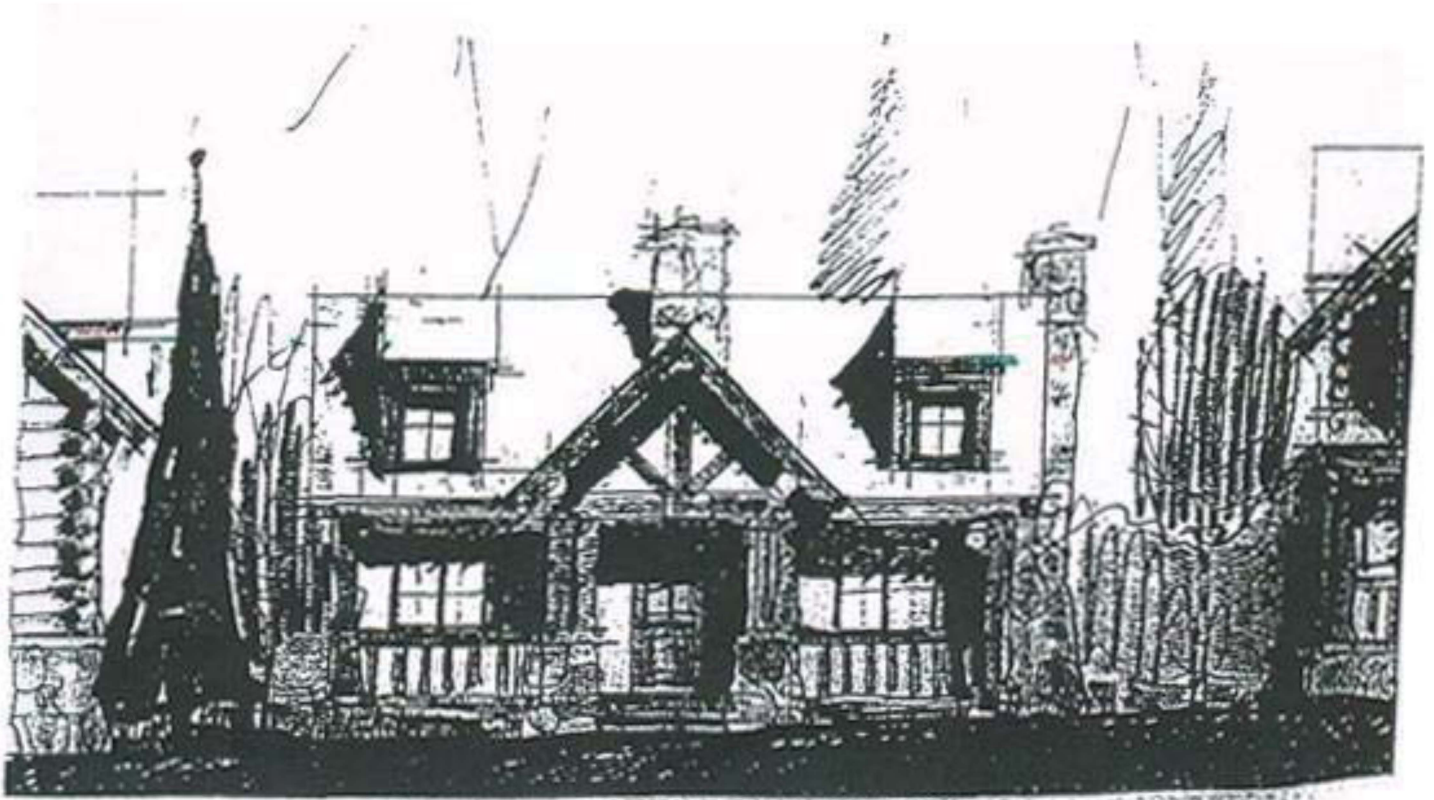
12.8 **DEFINED TERMS.** All capitalized but undefined terms used in this Agreement shall have the meanings set forth in the LUO and/or Design Regulations.

12.9 **EXHIBITS AND ATTACHMENTS.** All exhibits and attachments to this Agreement shall be incorporated herein and deemed a part of this Agreement..

XIII. TOWN APPROVAL

13.1 Subject to the conditions herein, Town does hereby finally approve this Agreement, the Final PUD Plat, and the Final PUD Plans. This Agreement shall be incorporated by reference on the Final PUD Plat. These instruments shall constitute the complete approval for the See Forever Plaza Phase III PUD. The Final PUD Plat and this Agreement shall be recorded, at the Owner's expense, in the records of the San Miguel County Clerk and Recorder and shall run with the Property. The Final PUD Plans shall be filed of record with the Town of Mountain Village Department of Planning and Design Review.

Signature pages and PUD exhibits
omitted for brevity



SEE FOREVER PLAZA
DESIGN GUIDELINES

SEE FOREVER PLAZA DESIGN ZONE

DESIGN GUIDELINES

Lots: 77R-80R, 81A-C, 82R-88R, 105R, & 106R

January 13, 1997

Prepared by Bercovitz Design, Inc.

These guidelines are intended to supplement the general design guidelines. They do not supersede the general design guidelines. If a conflict arises between these guidelines and the general guidelines, these guidelines shall prevail.

EXPERIENTIAL NARRATIVE

The bridge under Mountain Village Boulevard forms a transition to this zone. The pedestrian winds along a narrow path through the woods with small log cabins to the west and three moderate size buildings with stepped massing to the east. Along the path there are bench areas and small stone paths to the cabins and buildings. A glimpse of a tower in the distance intrigues the pedestrian to continue. They pass under a bridge and discover See Forever Plaza where the view opens wide to the north. **A log lodge surrounds the plaza, which hosts a ridgeline restaurant.** From the plaza you have three options. Pass through a tunnel to the new gondola; Follow the view to an observation deck floating in the trees; or meander through the woods on a raised log walkway which leads to the Town of Telluride.

DESIGN INTENT

The intent of this design zone is to create a log village in a forested setting. Buildings will include log cabins, small lodges, and a main lodge. Structures which emulate classic national park log structures are encouraged.

ARCHITECTURE

CONSTRUCTION

Traditional Stacked Logs

Logs may be square or round, hand hewn, 10" minimum thickness. Timber window surrounds are encouraged, but log bucks are acceptable. Log railings and balusters are required.

Conventional Framing with Log Siding and Log Accents

Round, hand hewn, 10" log siding is required with 4x timber corner boards, to resemble posts, or traditional stacked corners. 4x timber window surrounds are required. Log railings and balusters are required. Log columns, 10" minimum, are required for porches or accents. Log entries are encouraged. Timbers or logs may be used for exposed porch or deck elements. (See attached detail).

MATERIAL

Stone 35% minimum stone is required. Stone must be river rock, varied in size with 10" diameter average.

Logs Logs are required to be the major wall surface. Stain color to be Sherwin Williams, Woodscapes, Semi-transparent Color Stain, Cottonwood

SW3040. Chink color to be Mortar White by Log Jam. **Stucco is not permitted.**

<i>Roof</i>	Roof shall be simulated cedar shake by American Cemwood, 'Royal Shake', Seasoned Gray (800 / 367-3471); with copper flashing.
<i>Siding</i>	Cedar shingles may be used as an accent material only.
<i>Windows</i>	Windows and French Doors shall be stained wood, true-divided-lite only. Painted, metal clad, aluminum or vinyl windows are not permitted. Windows in stone walls shall be recessed 5" minimum from face of stone.
<i>Doors</i>	Exterior Doors shall be 2 ¼" minimum thickness, stained solid wood only. Painted, metal clad, aluminum or vinyl doors are not permitted. Doors in stone walls shall be recessed 5" minimum from face of stone.
<i>Hardware</i>	Exterior hardware shall be Wrought-Iron levers by Southwest Door Co., Model no. 8007/ 8107PS.
<i>Lighting</i>	Exterior light fixtures shall be Arroyo Craftsman, Berkeley, M-A41 with copper verde antique finish.
<i>Signs</i>	All single and duplex condos shall use 8"x 16" Bronze plate with 5" raised Times Roman Numbers. Plate shall be mounted in a stone building element clearly visible from the path.

A Sample Board illustrating the required exterior materials is on file with the Design Review Board. Some structures may require special fire-treatment of the logs or log siding. This should be clarified with the Building Department prior to Sketch Plan Submittal.

FORM

• General

<i>Roof Form</i>	Primary roof forms shall be gable with gable dormers. Hip roof forms are not permitted.
<i>Roof Pitch</i>	8:12 minimum roof pitch. Dormers shall be 10:12 minimum.
<i>Eaves</i>	Eaves are required to be built-up 2x cedar boards, 2 layers minimum; 12" minimum depth; 24" minimum overhang.

• Cabins

Lots 78-81B: These buildings shall appear as small log cabins. The heights are limited in accordance with the Plat. The Floor Area for each lot shall not exceed 1800 square feet. The forms shall be simple gable forms with shed porch elements. Dormers, bay windows, and chimneys are encouraged.

• Small Lodges

Lots 88, 105, 106: These buildings shall appear as log lodges. The height is limited in accordance with the Plat. The buildings shall be no more than 2 stories at the pedestrian core path to maintain pedestrian scale. The buildings shall step back at each level. Simple, cascading roofs with dormers, recalling Old Faithful Inn, are encouraged.

• Transition Buildings

Lot 77: This building shall step down to Lot 78. It shall announce the architecture of the path and buffer the pedestrian path from the road. The height is limited in

accordance with the Plat. The Floor Area for this lot shall not exceed 3,500 square feet.

Lot 81C: This building shall be sensitive to the scale of Lot 81B and step up in form to Lot 82. The height is limited in accordance with the Plat. The Floor Area for this lot shall not exceed 4,000 square feet.

- **Main Lodge**

Lots 82-87: These lots shall be combined to develop a two building lodge connected by a bridge across the path. These buildings shall define the plaza and incorporate the observation deck, elevated walkway connection to town, and the tunnel to a future transportation gondola terminal on Lot 124.

PEDESTRIAN CORE PATH

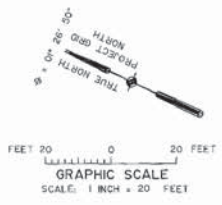
The path shall be 8 feet wide and meander to the plaza. Stone with concrete edge shall be the consistent materials, (See Detail, to match plaza area). Sitting areas with benches are required, one each, for lots 88, 105, 106. All pedestrian access to cabins or buildings will occur via curving, subordinate paths of 4 feet wide or less. Path Lighting shall be log posts with patina copper beacon by TEKA, product group 2000 (See cut sheet). Lighting Posts shall be positioned on each side of the path no more than 10 feet between each.

LANDSCAPING

The landscaping shall appear dense. The predominant trees shall be evergreen in groupings of three or more. Minimum height for evergreen trees is 14 feet. Deciduous trees shall be used only as subordinate groupings. Sod shall be used along pedestrian access paths. Native grasses, perennial wildflowers and creative ground cover shall be used to complete the re-vegetation of the balance of disturbed areas.

Exhibit F. Original See Forever Platting

AMENDMENT TO THE FINAL PLAT OF LOTS 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 124, AND TRACT OS-3 OF FILING I, TELLURIDE MOUNTAIN VILLAGE AND LOTS 77, 105, 106, 107, AND TRACT OS-3A OF REPLAT NO. 3 OF FILING I, TELLURIDE MOUNTAIN VILLAGE, SECTION 34, T.43 N., R.9 W., N.M.P.M., TOWN OF MOUNTAIN VILLAGE, COUNTY OF SAN MIGUEL, COLORADO



LEGEND

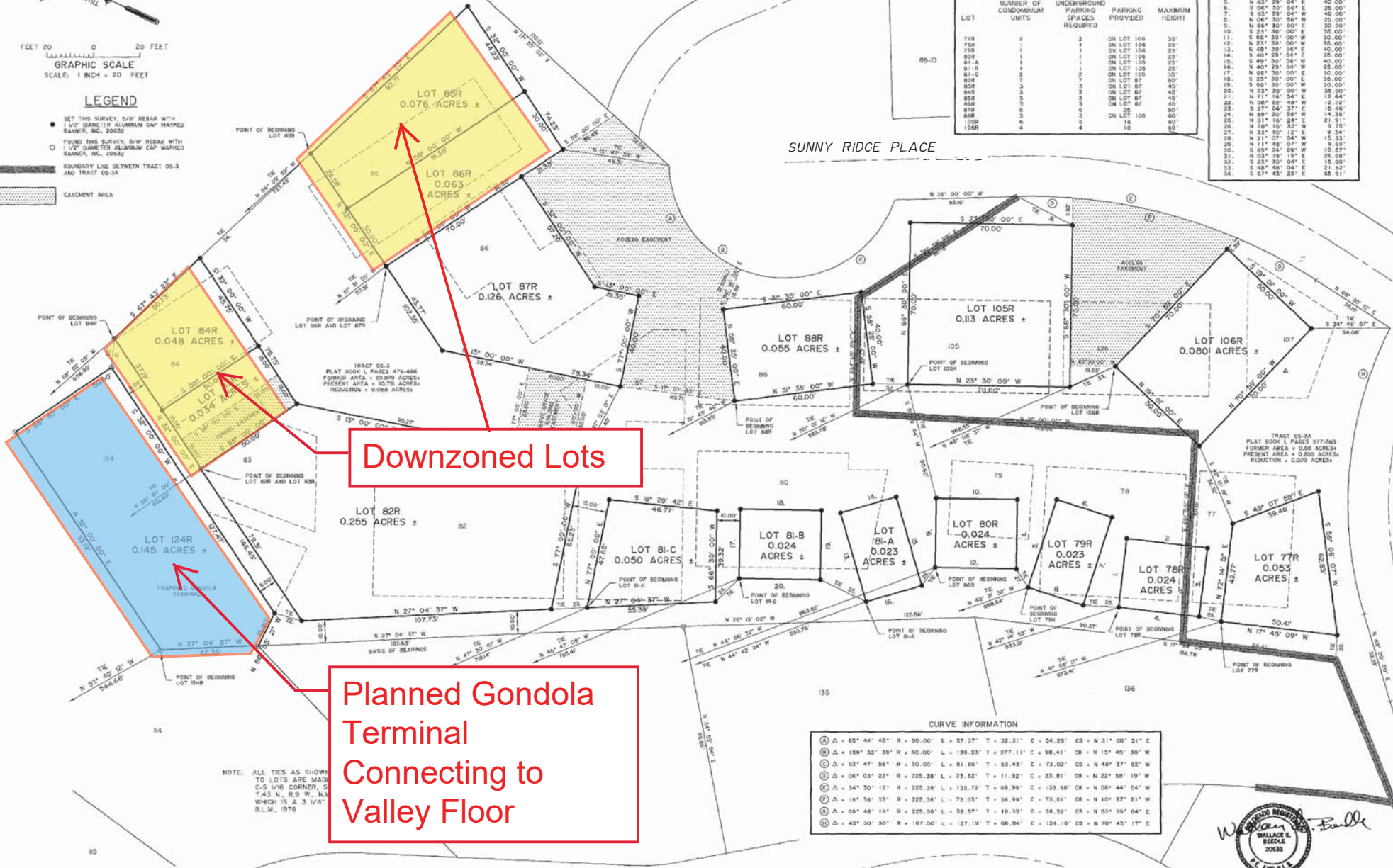
- SET THIS SURVEY, 5/8" REBAR WITH 1/2" DIAMETER ALUMINUM CAP MARKED BANNER, INC. 20532
- FOUND THIS SURVEY, 5/8" REBAR WITH 1/2" DIAMETER ALUMINUM CAP MARKED BANNER, INC. 20532
- BOUNDARY LINE BETWEEN TRACT OS-3 AND TRACT OS-3A
- EASEMENT AREA

LOT INFORMATION

LOT	NUMBER OF CONDOMINIUM UNITS	UNDERGROUND PARKING SPACES REQUIRED	PARKING PROVIDED	MAXIMUM HEIGHT
77B	2	2	ON LOT 106	35'
77B	1	1	ON LOT 106	35'
80B	1	1	ON LOT 106	35'
81-A	1	1	ON LOT 105	35'
81-C	2	2	ON LOT 105	35'
82B	2	2	ON LOT 87	60'
83B	2	2	ON LOT 87	60'
84B	3	3	ON LOT 87	60'
85B	3	3	ON LOT 87	60'
86B	3	3	ON LOT 87	60'
87B	3	3	ON LOT 87	60'
88B	3	3	ON LOT 105	60'
105B	6	6	16	60'
106B	4	4	10	60'

COURSES

NO.	BEARING	DISTANCE
1.	N 72° 14' 51" E	30.00'
2.	S 17° 45' 06" E	35.00'
3.	S 72° 14' 51" W	30.00'
4.	N 17° 45' 06" W	35.00'
5.	N 83° 29' 04" E	40.00'
6.	S 64° 30' 56" E	25.00'
7.	S 83° 29' 04" W	40.00'
8.	N 64° 30' 56" E	25.00'
9.	N 68° 30' 00" E	30.00'
10.	S 83° 29' 04" E	35.00'
11.	S 68° 30' 00" W	30.00'
12.	N 31° 30' 00" E	35.00'
13.	N 48° 50' 56" E	40.00'
14.	N 29° 29' 04" E	40.00'
15.	S 49° 30' 56" W	40.00'
16.	N 49° 30' 56" W	40.00'
17.	N 49° 30' 56" W	25.00'
18.	S 23° 30' 00" E	35.00'
19.	S 64° 30' 56" E	15.64'
20.	N 23° 30' 00" W	30.00'
21.	N 11° 18' 54" W	15.64'
22.	N 08° 02' 48" W	12.22'
23.	S 27° 04' 37" E	15.46'
24.	N 89° 20' 58" W	14.36'
25.	S 11° 18' 24" E	21.91'
26.	N 78° 16' 32" W	9.75'
27.	S 33° 02' 12" E	5.24'
28.	N 21° 07' 54" W	15.33'
29.	N 11° 48' 07" W	9.65'
30.	S 69° 24' 09" W	10.57'
31.	S 88° 19' 19" E	25.65'
32.	S 23° 30' 04" E	15.00'
33.	S 68° 48' 04" E	21.82'
34.	S 67° 43' 23" E	65.91'



Downzoned Lots

Planned Gondola Terminal Connecting to Valley Floor

CURVE INFORMATION

- Ⓐ Δ = 65° 44' 43" R = 90.00' L = 57.37' T = 32.31' C = 54.20' CB = N 31° 08' 31" E
- Ⓑ Δ = 159° 32' 39" R = 90.00' L = 129.23' T = 277.11' C = 98.41' CB = N 15° 45' 30" W
- Ⓒ Δ = 93° 47' 06" R = 50.00' L = 81.86' T = 53.43' C = 73.02' CB = N 48° 37' 52" W
- Ⓓ Δ = 06° 03' 22" R = 225.38' L = 23.82' T = 11.92' C = 23.81' CB = N 22° 58' 19" W
- Ⓔ Δ = 34° 30' 12" R = 225.38' L = 130.72' T = 69.99' C = 125.66' CB = N 08° 44' 54" W
- Ⓚ Δ = 18° 38' 33" R = 225.38' L = 73.33' T = 36.99' C = 70.01' CB = N 10° 37' 21" W
- Ⓛ Δ = 09° 48' 18" R = 225.38' L = 38.57' T = 19.33' C = 38.52' CB = N 03° 36' 04" E
- Ⓜ Δ = 43° 30' 30" R = 147.50' L = 127.19' T = 66.04' C = 124.18' CB = N 70° 45' 17" E

W. BANNER ASSOCIATES, INC.
MAY 11, 1997

Alpine Planning, LLC

P.O. Box 654 | Ridgway, CO 81432 | 970.964.7927 | alpineplanningllc@gmail.com



MEMO

Date: July 6, 2016
To: Dan Reedy
From: Chris Hawkins
Subject: Town Regulations

Sent via Email to: Dan@onshorejupiter.com & mike@lynchlegal.net

This memo is to summarize the Land Use Ordinance and Design Regulations in place when the See Forever project was reviewed and approved by the Town. The following sections are relevant to your proposed conversion of the restaurant space and the Council May work session:

2002 Land Use Ordinance (LUO) Requirement for Commercial Space

LUO Section 2-494 defined Village Core as follows:

"The Village Core refers to the following Lots: 28, 29A, 29B, 29C, 29D, 29E, 29F, 29G, 34, 35, 37, 38, 41, 42A, 42B, 43, 50A, 50B, 50C, 51, 53A, 53B, 59, 60RA, 60RB, 61AR, 61C/D, 65, 67, 68R, 69R1, 69R2, 71R, 73, 76, 82R1, 89A, 105R1, 106R, 108, 109, 110, 128, 134R, 134R2, 135R1, 136R1 and 161CR."

The highlighted lots are part of See Forever, with the restaurant space located on Lot 105R1. Village Core is the same as the Village Center per the current Community Development Code.

The following section of the LUO required first level commercial space in the Village Core:

4-308 Village Core

4-308-1 Village Core Lots may be used for the construction of Hotel Units, Hotel Efficiency Units, Lodge Units, Efficiency Lodge Units, Condominium Units, Commercial space, Employee Housing Units, and parking, together with such public and semi-public facilities, private recreation facilities and related visitor-oriented uses as may be appropriately developed on the property.

4-308-2 First Floor or Plaza Level shall be defined as the floor of the Building that is located at grade or Plaza Level. The following Uses shall be permitted on the Plaza Level:

- a) Retail stores and establishments;
- b) Eating and drinking establishments;
- c) Multi-Unit entrance areas and lobbies;
- d) Professional Offices, business Offices and studios (not directly fronting Village Core plazas);
- e) Full-service banks and/or ATM Centers (not directly fronting Village Core plazas);
- f) Meeting and conference rooms (not directly fronting Village Core plazas).

4-308-3 No Offices of any nature, including but not limited to, professional Offices, Offices of physicians, dentists, attorneys, utility companies, governmental entities, insurance agents and accountants may be operated or located in the improvements constructed on property that directly fronts the Village Core plazas.

4-308-4 Residential occupancy shall not be an allowed Use on the "First Floor" or "Plaza Level" within a structure. Notwithstanding Article 5, the Town Council may approve residential housing on the "First Floor" or "Plaza Level" on a case-by-case basis.

4-308-5 All Offices, businesses, and services permitted by this Section shall be operated and conducted entirely within a Building, except for permitted unenclosed parking or loading areas, and plaza Uses permitted by Metro Services.

2002 Design Regulation Requirements for a Restaurant (As Amended and Restated 12/10.02)

The Design Regulations in effect in 2002 established the following policies related to commercial and restaurant development, with the base presumption more than 2,500 sq. ft. of commercial was required by the Village Core zoning

ARTICLE 10 RESTAURANT AND COMMERCIAL KITCHEN FACILITIES

SECTION 10-1 RESTAURANT AND COMMERCIAL KITCHEN FACILITIES

All proposed Developments within the Village Core that contain 2,500 square feet or more of Commercial space, will be required to provide all necessary facilities associated with the operation of a 100 seat full services Restaurant and/or Commercial kitchen.

10-101 A Ventilation System shall be provided to capture and exhaust fumes and vapors as well as to provide fresh air ducts associated with the operation of a Restaurant and/or Commercial kitchen facilities. Engineered drawings, stamped by a licensed engineer in the State of Colorado, will be required.

10-102 A Plumbing System that includes grease traps shall be provided to capture and remove waste products associated with the operation of a Restaurant and/or Commercial kitchen facilities. Engineered drawings, stamped by a licensed engineer in the State of Colorado, will be required.

10-103 Trash Facilities shall be provided for the removal and storage of trash and garbage associated with the operation of a Restaurant and/or Commercial kitchen facilities. Such area shall be enclosed and appropriately ventilated and located in the underground garage in an area for easy accessibility.

2001 Design Regulations Require Snowmelt (As Amended Through January 9, 2001)

4-106 Snow Melt System. All development within the Village Core must include a snow melt system, complete with boiler and tubing, for exterior areas subject to vehicular or pedestrian traffic. The extent of the snow melt system shall be determined at the time of DRB Final Plan review, but will normally extend thirty (30) feet outside of the building footprint or cover the area of disturbance, whichever is greater.

5-203 Building Siting Village Core

5-203-1 Building siting within the Village Core shall relate directly to the pre-established pedestrian walkways, malls and plazas. It is imperative that buildings form the walls of these exterior spaces, and circulation routes are uninterrupted, continuous and reinforced by adjacent buildings.

5-203-2 The DRB requires that snow melting systems, complete with boiler and tubing, be installed in exterior areas subject to vehicle or pedestrian traffic.

5-203-3 Omitted

9-101-1 Projects within the Village Core are required to install a snow melt system, complete with boiler and tubing, and channel runoff into the projects landscape/hardscape to prevent ice build-up in pedestrian areas.

9-502-3 Snow Melt System. Due to the extreme daily temperatures changes that are experienced in the Mountain Village and sharp temperature contrasts between shade and sun exposures, it is mandatory that all development within the Village Core must include a snow melt system, complete with boiler and tubing, for exterior areas subject to vehicular or pedestrian traffic. The extent of the snow melt system shall be determined at the time of DRB Final Plan review, but will normally extend thirty (30) feet outside of the building footprint or cover the area of disturbance, whichever is greater.

2002 Design Regulations Require Snowmelt (As Amended and Restated 12/10/02)

9-502-3 Snow Melt Systems

Due to the extreme daily temperature changes that are experienced in the Mountain Village and sharp temperature contrasts between shade and sun exposures, it is mandatory that all Development within the Village Core shall include a snow melt system, complete with boiler and tubing, for exterior areas subject to vehicular or pedestrian traffic. The extent of the snow melt system shall be determined at the time of DRB Final Plan Review and will normally extend thirty (30) feet outside of the Building footprint or cover the area of disturbance, whichever is greater.

SECTION 18-3 PLAZA DESIGN AND SITE AMENITIES





18-301 PATHS AND WALKWAYS

18-301-1 through 18-301-5: Omitted as non-applicable to snowmelt and required public improvements.

18-301-6 Lots within the Village Core shall be required by the DRB to coordinate all design and intent of all proposed pedestrian areas with the Metro Services. Relevant to all Lots or Building footprints within the Village Core, the DRB shall require the Owner of such Lots to develop any and all pedestrian areas to a maximum of thirty (30) feet out from the Building footprint.

18-301-7 Adequate space for snow removal and storage shall be considered when designing pedestrian ways. In areas where snow storage space is inadequate or where shady, icy conditions prevail, snowmelt shall be considered. In some cases the DRB may reserve the right to require snowmelt in such areas, particularly ones characterized as primary pedestrian routes. This is to the benefit of the health and safety of the general public.

LEGEND

-  8101 PATIO TO BE MAINTAINED BY SEE FOREVER VILLAGE HOA AND SECONDARY WALKWAYS
TOTAL AREA = 8137 SQ.FT.
-  LANDSCAPING AREA TO BE MAINTAINED BY SEE FOREVER VILLAGE HOA
-  TO BE MAINTAINED BY THE TOWN OF MOUNTAIN VILLAGE
TOTAL AREA = 11538 SQ.FT.
-  TO BE MAINTAINED BY THE TOWN OF MOUNTAIN VILLAGE

Areas To Be Removed from Town Costs

Approximately 852 square feet

Approximate 408 sq. ft. (Needs to be Surveyed)

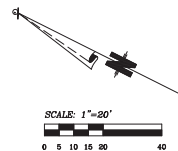


EXHIBIT A - AGREEMENT REGARDING MAINTENANCE OBLIGATIONS

Project Mgr:	PRJ-MGR	Rev:	description	date	by:
Technician:	TECH				
Checked by:	CHECKER				
Start date:	STARTING_DATE				

FOLEY ASSOCIATES, INC.
 2115 W. PACIFIC AVENUE, SUITE 117
 TELLURIDE, COLORADO 81425
 970-728-8158 970-728-8050 fax
 P.O. BOX 1885
 125 W. PACIFIC, SUITE B-1
 TELLURIDE, COLORADO 81425
 Drawing path: DWG_PATH
 Sheet/SHEET of SHEETS Project #: PROJ_NUMBER

SEE FOREVER VILLAGE
UNIT MANAGEMENT AGREEMENT

DATE: _____

BY AND BETWEEN:

OWNER: _____

MANAGER: Peaks Hotel, LLC, a Delaware limited liability company
136 Country Club Drive
Mountain Village, Colorado 81435

PROPERTY DESCRIPTION

Unit No. _____, See Forever Village, Town of Mountain Village, Colorado, together with all furnishings and items of personal property therein (herein referred to as "Property").

The owners association which governs the Property is See Forever Village at The Peaks Homeowners Association, Inc., a Colorado nonprofit corporation (the "Association"). Owner acknowledges that that the Association Board and Manager may from time to time amend the terms of the Unit Management Agreement (UMA") applicable to all Units, so as to ensure a fair and equitable arrangement as among the Association Owners and Manager.

A. AGENCY AUTHORIZATION.

Owner hereby employs Manager, as Owner's exclusive agent, to manage the Property and to rent the Property to renters, in accordance with the terms and conditions provided herein. Any such rentals shall be for rental residential purposes only as a license pursuant to the directive of the Colorado Real Estate Commission, and otherwise conform to the covenants, conditions and restrictions of record affecting the Property, a copy of which the parties acknowledge is recorded as public record and which the parties have reviewed.

Owner authorizes Manager, and Manager hereby agrees, to do those normal and necessary things to operate and maintain the Property in a fashion consistent with the current reputation of The Peaks Resort and Spa, Town of Mountain Village, Colorado ("The Peaks Resort"), and, if necessary, to subcontract the care, maid and linen services, supplies, pest control, and repairs with parties that Manager, in its reasonable discretion, deems competent, including but not limited to services by The Peaks Resort. Manager shall have no obligation to Owner to sue either for errors, acts or omissions of subcontractors or for past due rents or for loss or damage. Any legal issues shall be Owner's sole responsibility as the aggrieved party. Manager shall cause Owner to be expressly made a third party beneficiary under subcontracts,

and Manager shall reasonably cooperate with Owner, at Owner's expense, in pursuing any claims Owner has against Manager's employees and subcontractors.

B. TERMS AND RATES.

This exclusive agency commences _____ ("Effective Date") and expires on June 30, 2050 unless renewed in accordance with the provisions of the following sentence or sooner terminated in accordance with Section G or H of this Agreement. Unless this Agreement has been sooner terminated, this Agreement shall be automatically renewed for successive five (5) year periods thereafter unless terminated by a party effective at the end of the original Term or renewal period, as the case may be, by notice in writing to the other given not later than ninety (90) days but not more than one hundred eighty (180) days prior to the end of such period. Unless otherwise agreed, upon the effective date of any renewal, all terms, covenants and conditions set forth in this Agreement shall be automatically extended to the expiration of the applicable renewal term.

Subject to the provisions of Sections G and H regarding Manager's obligation to find alternative accommodations for renters, Owner shall be responsible for fulfilling Firm Rental Reservations (as hereinafter defined) which were made for periods ending within four (4) months after expiration or earlier termination of this Agreement and were identified in Advance Rentals Schedule (as defined in Section D); however, Manager shall be responsible for providing to such renters at Manager's expense check-in, check-out, concierge, cleaning, housekeeping, linen and toiletry services required to be provided to renters during the term of this Agreement. As used in this Agreement, the term "Firm Rental Reservation" means a reservation which was made in accordance with the terms and conditions of this Agreement and was accepted by Manager prior to the termination or earlier expiration of this Agreement and for which Manager receives a deposit within thirty (30) days after Manager's acceptance of such reservation (whether or not the deposit is received prior to expiration or earlier termination of this Agreement) in amount not less than twenty-five percent (25%) of the confirmed room rentals for the entire period of occupancy.

If Owner (seller) does not fulfill its obligation of informing a purchaser of existing Firm Rental Reservations in accordance with the provisions of Section G of this Agreement, Owner must pay Manager the income lost from having to move any such renters and any reasonable relocation costs involved.

Owner reserves the right to exclude from this Agreement certain periods of time for use by Owner and members of Owner's immediate family and by Owner's guests and other designees in accordance with **Exhibit A**. Further, Owner may, subject to the provisions of **Exhibit A** (as it may be amended from time to time), occupy or use, and allow others to occupy and use, the Property, without compensation to Manager, provided that the Property is not then occupied or reserved for occupancy pursuant to the authority granted herein. Any period of actual use pursuant to this paragraph is referred to as an "Owner Use Period".

Within thirty (30) days after expiration or earlier termination of this Agreement, Manager will deliver to Owner all monies due and not previously paid to Owner, an accounting of all monies due Owner and all books, records and papers of any kind related to this Agreement.

Prior to delivery, all such books, records and papers will be kept in Manager's office in the Town of Mountain Village, Colorado.

Owner authorizes Manager to determine the appropriate length of rental term [but less than thirty (30) consecutive days] and the rate to be charged in accordance with guidelines established by Manager in good faith and delivered to Owner. Manager shall produce and promulgate appropriate rate information pieces. Rental rates may vary in Manager's good faith discretion by individual situation, but in no event shall any daily rate be less than \$500.

C. OWNER RESPONSIBILITIES AND EXPENSES.

Owner shall timely pay all expenses of owning the Property and all reasonable expenses of operating the Property in accordance with this Agreement, including but not limited to utilities, taxes and assessments, casualty and liability insurance premiums (which covers rental property), homeowner's dues and assessments, repairs and maintenance, liens incurred by Owner, in such a manner as to not interfere with the renter's rights to quiet enjoyment. Owner shall not be responsible for paying those expenses which under this Agreement are the responsibility of Manager. Manager agrees to maintain the Property in reasonable condition and repair at Owner's reasonable expense and to exercise reasonable oversight of the use of the Property by renters.

Owner understands that Manager, in its capacity as Manager of the homeowner's association, will, at the Association's expense, procure and maintain insurance meeting the requirements of the Declaration. Said insurance policies shall name Manager and Owner as an additional insured. Owner and Manager shall be provided a Certificate of Insurance reflecting such coverage and requiring thirty (30) days advance written notice from the insurance company to Owner and Manager before cancellation, non-renewal or any change in the coverage, scope or limits of any such policies. Manager will also maintain appropriate insurance covering Manager's operations, including workers compensation coverage, with certificates provided to Owner on request.

In order for Manager to be able to rent the Property to a renter, Manager will have to perform general cleaning and housekeeping services as well as stock the Property with clean linens and various customary toiletry and sundry articles (e.g. soap and shampoo). If after the Property has been prepared for use by a renter, an Owner Use Period occurs, Owner shall, upon departure, pay or cause to be paid to Manager a preparation fee of \$23 per hour, which amount shall increase on each November 1 beginning November 1, 2015, by any increase in the CPI (as hereinafter defined) for the immediately preceding month over the CPI for the same month one (1) year earlier, in order to allow Manager to get the Property ready for another renter. Additionally, Owner shall provide Manager at least forty-eight (48) hours notice for any housekeeping requirements during any anticipated Owner Use Period as proper planning is required in order to have the necessary staff on duty to facilitate the cleaning request. Manager shall be entitled to charge a reasonable fee for housekeeping services provided by Manager during an Owner Use Period. For purposes of this Agreement, the term "CPI" means the Consumer Price Index (all items) for Urban Consumers, All Cities (1982-84=100), as published by the United States Department of Labor, Bureau of Labor Statistics.

Notwithstanding the charges for housekeeping services set forth above, if Owner agrees to make the Property available for a minimum of twenty-six (26) weeks each calendar year, of which at least twelve (12) weeks are during the months of January, February, March, June, July or August, then Manager shall provide ten (10) days of housekeeping services at no cost to Owner. Any additional days of housekeeping services shall be charged to such Owner by Manager as set forth above.

D. MANAGER'S SERVICES AND FEES.

Manager, in the consideration of the compensation payable to Manager for services rendered and described in the sixth paragraph of this Section, agrees to provide at Manager's expense its expertise and services of procuring tenants (including, without limitation, commissions and referral fees), rental management, providing check-in and check-out services, and procurement of maid and linen service and supplies (including, without limitation, pillows, blankets, bedspreads, robes, towels, bathmats, customary toiletry and sundry articles and housekeeping supplies) related to renters' or occupant's use. Notwithstanding anything in this agreement to the contrary, Manager shall provide or procure, at its option, twice daily maid service. Manager agrees to use Advance Order System, or other reasonably comparable service, to deliver room service.

Manager will use its best efforts to obtain responsible renters but shall bear no responsibility for any loss, damage, or wear and tear to the Property caused by a renter or an occupant. Manager shall be responsible to promptly report to Owner any loss or damage of which Manager gains knowledge.

No single maintenance or repair expense item of \$500 shall be undertaken by Manager without the prior written approval of Owner, unless Manager reasonably believes, based on its reasonable judgment, that persons or property shall be in imminent danger by lack of immediate action.

Within twenty-one (21) days following the end of each calendar month and showing as of the end of such month, Manager shall provide (i) a detailed Statement of Income and Expense to Owner showing all sources of income and credits to Owner and all expenses incidental thereto, (ii) all future Owner Use Periods reserved by Owner, and (iii) a reasonable written description of each advance reservation (other than by Owner for an Owner Use Period) showing the name of the renter, the rental period reserved by the renter and amount of any deposit received by Manager in connection with the reservation (as updated from time to time pursuant to Sections G and H of this Agreement, the "Advance Rentals Schedule").

Manager may advertise its management business and seek renters generally, at Manager's expense, and Manager shall pay commissions and referral fees due others in its normal course of business. If Manager would like to use the Property on a complimentary basis from time to time for promotional purposes it will contact Owner in advance of such use to obtain permission.

As its compensation for services rendered, Manager shall retain forty percent (40%) of the Gross Receipts attributable to renters' occupancy of the Property prior to expiration or earlier

termination of this Agreement and to renters' occupancy of the Property thereafter pursuant to Firm Rental Reservations.

The exception to this rule is that, for those Units currently a party to a UMA, the Manager's share of Gross Receipts shall be thirty-five percent (35%). On sale of such a Unit, or in the event of termination of this Agreement by a Unit Owner and then subsequent re-execution of this Agreement by a Unit Owner, the percentage of Gross Receipts retained by Manager shall revert to the forty percent (40%) level. Gross Receipts shall mean all rental income received by Manager from its renters for their occupancy of the Property, without deduction or offset for costs incurred by Owner in connection therewith. Gross Receipts shall not include any income received by Manager in connection with renter's bed or rental taxes, or use of other amenities and/or services purchased by or provided to such renter by Manager or The Peaks Resort. After making any required adjustment for repair and maintenance expenses to be paid by Owner and other authorized and agreed payments, Manager shall pay to Owner monthly any excess Gross Receipts for the preceding calendar month within the time period that Manager must deliver the Statement of Income and Expense for such month. Owner agrees to promptly reimburse Manager in the event required and agreed expenses exceed Owner's account during the period of this Agreement.

The parties acknowledge that certain third party reservations sources charge additional commissions and fees over and above those charged by traditional reservations sources. Such third party reservations sources include providers such as Orbitz, Booking.com, Kayak, Expedia and Travelocity. Such third party reservations sources shall hereafter be referred to as the "Increased Marketing Initiatives." Third party reservations sources do not include Manager.

Increased Marketing Initiatives / Units Currently a Party to a UMA

For Units currently a party to a UMA, with respect to Gross Receipts attributable to rentals of the Property that Manager obtains through such Increased Marketing Initiatives, (i) Manager shall first be entitled to deduct from such Gross Receipts (prior to the retention of the applicable percentage of Gross Receipts as provided above), and retain, an amount equal to twelve and one-half percent (12.5%) of such Gross Receipts, with such amount to be used to pay a portion of the expenses of such Increased Marketing Initiatives incurred from time to time and (ii) Manager then shall be entitled to retain the applicable percentage set forth above of the balance of such Gross Receipts remaining after deduction of the amount deducted and retained by Manager pursuant to clause (i).

Application and Example. For example, if Gross Receipts for the Property for a month are \$5,000, including \$1,000 attributable to rentals obtained through Increased Marketing Initiatives, and the applicable Manager's share is thirty-five percent (35%), then the compensation to which Manager would be entitled for such month would be \$1,831.25, determined as follows:

- (1) Manager would be entitled to retain 12.5% of the \$1,000 of Gross Receipts attributable to rentals obtained through Increased Marketing Initiatives, which would equal \$125.

- (2) Manager would be entitled to retain 35% of the balance of Gross Receipts remaining after the deduction of the \$125 payable pursuant to (1) above from the \$5,000 total of Gross Receipts (i.e., 35% of \$4,875), which would equal \$1,706.25.
- (3) The sum of (1) and (2) above, which equals \$1,831.25, is the total amount to which Manager would be entitled (understanding that Manager pays the entire cost of the Increased Marketing Initiatives).

Owner's share of the Gross Receipts (assuming for purposes of this example that there are no deductions for expenses from Owner's share) would be \$3,168.75 (65% of \$4,875).

Increased Marketing Initiatives / Sale of Unit or Termination & Re-Execution of UMA

On sale of a Unit, or in the event of termination of this Agreement by a Unit Owner and then subsequent re-execution of this Agreement by a Unit Owner, the compensation to Manager for Increased Marketing Initiatives shall be as follows:

With respect to Gross Receipts attributable to rentals of the Property that Manager obtains through such Increased Marketing Initiatives, (i) Manager shall first be entitled to deduct from such Gross Receipts (prior to the retention of the applicable percentage of Gross Receipts as provided above), and retain, an amount equal to the actual Increased Marketing Initiatives incurred on such specific rentals, with such amount to be used to pay the expenses of such Increased Marketing Initiatives incurred from time to time, and (ii) Manager then shall be entitled to retain the applicable percentage set forth above of the balance of such Gross Receipts remaining after deduction of the amount deducted and retained by Manager pursuant to clause (i).

Application and Example. For example, if Gross Receipts for the Property for a month are \$5,000, including \$1,000 attributable to rentals obtained through Increased Marketing Initiatives, and the cost of the Increased Marketing Initiatives is 15% of such Gross Receipts, and the applicable Manager's share is forty percent (40%), then the compensation to which Manager would be entitled for such month would be \$2,090.00, determined as follows:

- (1) Manager would be entitled to retain 15% of the \$1,000 of Gross Receipts attributable to rentals obtained through Increased Marketing Initiatives, which would equal \$150.
- (2) Manager would be entitled to retain 40% of the balance of Gross Receipts remaining after the deduction of the \$150 payable pursuant to (1) above from the \$5,000 total of Gross Receipts (i.e., 40% of \$4,850), which would equal \$1,940.00.
- (3) The sum of (1) and (2) above, which equals \$2,090.00, is the total amount to which Manager would be entitled (understanding that Manager pays the entire cost of the Increased Marketing Initiatives).

Owner's share of the Gross Receipts (assuming for purposes of this example that there are no deductions for expenses from Owner's share) would be \$2,910.00 (60% of \$4,850).

The above allocation of Increased Marketing Initiatives shall terminate October 31, 2017. At that time, the Association and Manager may agree to revise the terms of the standard UMAs. If the Association and Manager do not otherwise agree to revise the terms of the standard UMAs, then effective November 1, 2017, the allocation of Increased Marketing Initiatives for all Owners, whether a long-term party to a UMA or whether a new Owner, shall revert to the allocation set forth in the section, above, entitled "Increased Marketing Initiatives / Units Currently a Party to a UMA."

Forfeited Rental Deposits

With respect to any forfeited rental deposits, Manager shall include fifty percent (50%) of any such forfeited rental deposits as part of the gross rents to be paid to Owner, and Manager shall retain the other fifty percent (50%) as its compensation for services rendered (but with respect to deposits for bookings of rentals obtained through Increased Marketing Initiatives, Manager shall be entitled to deduct twelve and one-half percent (12.5%) of such deposit for payment of a portion of the expenses of the Increased Marketing Initiatives, and Manager shall be entitled to retain fifty percent (50%) of the balance after such deduction as compensation for services rendered, with the other fifty percent (50%) of such remaining balance to be paid to Owner). However, Owner acknowledges and agrees that reservations are often moved from unit to unit to accommodate arrival and departure patterns and requests made by renters which makes forfeiture of rental deposits difficult, and forfeiture of rental deposits is often not enforced for other reasons. Furthermore, a rental deposit is not forfeited if the reservation is moved to other accommodations, whether or not such accommodations are owned by Owner or managed by Manager. Manager may pay itself amounts owing to it pursuant to this paragraph by retention of applicable amounts collected from renters of the Property.

Owner is aware that Manager deposits all rents and deposits for all units under Manager's direction in a single special account and will maintain a specific daily ledger for each individual unit under its management. Interest accrual, if any, shall be retained by Manager as part of the compensation package for Manager's service and shall not be considered as Gross Receipts. Owner agrees that only Manager or its employees will be authorized to transfer monies to or from such account.

Owner shall cause check-in and check-out services for the Property to be available at The Peaks Resort.

Provided the guests at the Property have registered at The Peaks Resort, Manager shall cause such guests to be entitled to (i) access to The Spa at The Peaks Resort ("Spa") at a rate of \$28 per day of occupancy which amount shall be included in the Property rental rate (but shall not be considered part of the Gross Receipts) and shall increase on each November 1, beginning November 1, 2015, by any increase in the CPI for the immediately preceding month over the CPI for the same month one (1) year earlier, but in no event shall such amount be greater than the amount that is charged to hotel guests at the applicable times; (ii) direct check signing (i.e., "bill to room") privileges, discounts and other benefits (such as preferred tee times) for and at retail

shops, restaurants, the Spa and golf course facilities at The Peaks Resort, to the same extent that guests of The Peaks Resort are entitled to such privileges, discounts and benefits at such facilities; (iii) at a price to be determined, ski butlers, drivers, babysitters, personal concierge and a pre-stocked kitchen; (iv) complimentary storage for skis and boots at The Peaks Resort; (v) complimentary valet parking; and (vi) complimentary shuttle service between The Peaks Resort, the Property and other locations serviced by The Peaks Resort shuttle service.

At Owner's request, Manager shall cause Owner and members of Owner's immediate family or, if Owner is not an individual or is comprised of two or more individuals, an individual designated by Owner and the immediate family members of such family, subject to any limitations provided hereafter, to be entitled to (i) membership access to the Spa at no charge during twenty-one (21) days per calendar year and, after such period, access to the Spa for a service fee of \$28 per day covering all members of such family, which amount shall increase on each November 1 beginning November 1, 2015, by the CPI for the immediately preceding month over the CPI for the same month one (1) year earlier, but in no event shall such amount be greater than the amount that is charged to hotel guests at the applicable time; (ii) direct check signing (i.e., "bill to room") privileges, discounts and other benefits (such as preferred tee times) for and at retail shops, restaurants, the Spa and golf course facilities at The Peaks Resort, to the same extent that guests of The Peaks Resort are entitled to such privileges, discounts and benefits at such facilities; (iii) at a price to be determined, ski butlers, drivers, babysitters, personal concierge and a pre-stocked kitchen; (iv) complimentary storage for skis and boots at The Peaks Resort; (v) complimentary valet parking; and (vi) complimentary shuttle service between The Peaks Resort, the Property and other locations serviced by The Peaks Resort shuttle service.

Manager shall maintain at its expense adequate insurance coverage for claims under the Colorado Worker's Compensation Act and if it hires subcontractors to work within the Property, such subcontractors shall have Worker's Compensation for their employees. In addition, subject to reasonable availability, Manager shall maintain the following insurance with respect to its employees, agents and servants, at Manager's expense: (i) employer's liability insurance in an amount not less than \$500,000 covering against liability in respect of employees, agents and servants not covered by workers' compensation insurance and against occupational disease benefits; (ii) employee fidelity insurance in an amount not less than \$1,000,000; and (iii) employment practices coverage in an amount not less than \$1,000,000 per claim/aggregate.

E. RENTAL TAXES.

Owner acknowledges that it has been advised by Manager to make its own independent investigation as to the tax and general liability implications of this Agreement and has had the opportunity to consult with its own counsel as to the same. Owner is not relying on any statements made by Manager in connection with or regard to any tax, personal liability issues, or any other matters in connection with this Agreement which are not expressly set forth herein.

Owner acknowledges that all transient occupancy taxes for rental of its Property will be collected by Manager. Owner agrees that Manager may remit these taxes to the appropriate taxing authority.

F. INDEMNITIES.

Manager shall indemnify and hold harmless Owner and its affiliates and their respective partners, shareholders, directors, officers, employees and agents from and against any and all liability, loss, damages, costs and expenses ("Liabilities") incurred by reason of the management and operation of the Property by Manager during the Term, insofar and only insofar as such Liabilities are caused by the gross negligence, willful misconduct or willful violation of Legal Requirements by Manager. "Legal Requirement" means any law, ordinance, order, rule or regulation of any governmental authority and any requirement, term or condition contained in any restriction or restrictive covenant affecting Manager, Owner or the operation of the Property.

Owner shall indemnify and hold harmless Manager and its shareholders and affiliates and their respective partners, shareholders, directors, officers, employees and agents from and against any and all Liabilities (including those caused by the simple negligence of the indemnitee and those to which the indemnitee may be strictly liable) (i) arising out of or incurred in connection with the construction, renovation, management, leasing or operation of the Property or (ii) which may be asserted or arise as a direct or indirect result of the presence on or under, or escape, seepage, leakage, spillage, discharge, emission or release from the Property of any hazardous materials or any hazardous materials contamination or arise out of or result from the environmental condition of the Property or the applicability of Legal Requirements related to hazardous materials, except, in the case of both (i) and (ii) above, insofar as such Liabilities are caused by the gross negligence, willful misconduct or willful violation of Legal Requirements by Manager.

In case an action covered by this Section F is brought against any indemnified party, the indemnifying party will be entitled to assume the defense thereof, subject to the provisions herein stated, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof. The indemnified party shall have the right to employ separate counsel on any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party. If the indemnifying party has assumed the defense of action with counsel reasonably satisfactory to the indemnified party; provided that the fees and expenses of the indemnified party's counsel shall be at the expense of the indemnifying party if (i) the employment of such counsel has been specifically authorized in writing by the indemnifying party or (ii) such indemnified party shall have been reasonably advised by counsel that there is a conflict of interest or issue conflict involved in the representation by counsel employed by the indemnifying party in the defense of such action on behalf of the indemnified party or that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the indemnified party, which firm shall be designated in writing by the indemnified party).

As used herein, the term "Property Policy" means any fire and extended coverage or all risk material and property damage insurance policy which is carried by or on behalf of Manager, Owner or any of the parties named in the first two paragraphs of this Section. Any Property Policy procured or maintained by Manager or Owner shall provide that the right of any insured to coverage shall not be affected by any indemnity obligation, release of liability or waiver of claim in this Agreement; in addition, each such Property Policy shall include a waiver of any right of subrogation which the insurer might have against any insured, or any of the parties named in the first two paragraphs of this Section. In addition to and without limiting or being limited by any other releases or waivers of claims in this Agreement, but rather in confirmation and furtherance thereof, to the extent not prohibited by law, Manager waives all claims for recovery from Owner and its affiliates, agents, shareholders, directors, officers, partners, members and employees, and Owner waives all claims for recovery from Manager and its agents and employees for any injury or damage to or theft, robbery, pilferage, loss or the loss of use of any of their respective property to the extent of proceeds recovered or recoverable under insurance policies maintained hereunder.

Notwithstanding anything contained in this Agreement to the contrary, Owner and Manager agree that the liability of Owner to Manager and the other persons entitled to be indemnified pursuant to the second paragraph of this Section shall be limited to an amount equal to twenty-five percent (25%) of the greater of (i) original purchase price of the Property or (ii) the original purchase price of the Property as increased by annual increases in the CPI from the time of the original purchase of the Property. Notwithstanding the foregoing, however, in no event shall such amount exceed twenty-five percent (25%) of the then market value of the Property. Moreover, Manager shall first exhaust the Owner's equity in the Property to satisfy such liability prior to pursuing any of Owner's other assets, and the foregoing limitation of liability shall not be applicable with respect to any liability to the extent caused by intentional acts, willful misconduct or negligence on the part of Owner, the immediate family of Owner or an agent thereof. For purposes of this limitation, neither Manager, nor any employees, directors, officers, contractors, nor agents thereof shall be considered to be agents of Owner or its immediate family.

The provisions of this Section F shall survive any termination or expiration of this Agreement, whether by lapse of time or otherwise, and shall be binding upon the parties hereto and their respective successors and assigns.

G. NOTICES; OWNER'S WARRANTIES AND EARLY TERMINATION RIGHTS.

Any notices required herein shall be given by registered or certified mail, return receipt requested, to the addresses shown herein, in which event it shall be deemed received on the earlier of the day of receipt or the fifth business day after the date of deposit in the U.S. Mail.

Owner warrants that it has legal title to the Property and is of legal capacity to commit the Property to this Agreement. Further, the Property is furnished and ready for use and occupancy.

Owner agrees to notify Manager prior to any change in ownership of the Property (the "Transfer of Ownership Notice"). Within ten (10) days after it has received the Transfer of

Ownership Notice, Manager shall deliver to Owner a current update of the Advance Rentals Schedule and shall promptly deliver to Owner further updates as reservations are made. If requested by Owner at any time after the Transfer of Ownership Notice is received, Manager shall stop accepting reservations during the pendency of the transfer of ownership. In connection with any such transfer, promptly after receipt of a request therefor from Owner or the transferee, Manager will deliver to the requesting party a certificate confirming that this Agreement is in full force and effect and that there are no defaults on the part of Owner under this Agreement except to the extent disclosed in the certificate. Upon Owner's transfer of ownership of the Property, the rights and obligations of Owner accruing or arising after termination will be terminated. Owner agrees that Owner and Owner's successors are bound by Firm Rental Reservations for a period ending within four (4) months of the termination which were identified in an Advance Rentals Schedule delivered to Owner prior to the transfer of the Property, provided that at Owner's request Manager will use reasonable efforts to move renters to alternative accommodations. Owner has freely chosen the services of Manager to render management and renting services.

In addition to its other termination rights under this Agreement, Owner may terminate this Agreement for any reason or no reason upon thirty (30) days prior written notice to Manager without payment of any termination fee, damages or penalty. Within ten (10) days after the delivery of such termination notice to Manager, Manager shall deliver to Owner a current update of the Advance Rentals Schedule and shall promptly deliver to Owner further updates as reservations are made. Owner and Owner's successors shall be bound by Firm Rental Reservations for a period ending within four (4) months of the date of termination which were identified in an Advance Rentals Schedule delivered to Owner prior to termination, provided that at Owner's request Manager will use reasonable efforts to move renters to alternative accommodations.

Owner acknowledges that Manager does not possess a Colorado Real Estate Broker's License and Manager is managing the Property pursuant to the directives of the Colorado Real Estate Commission.

Owner and Manager enter into this Agreement with the beneficial intent of providing income to each party. It is specifically understood that the relative degree of success in this endeavor is dependent upon factors outside of either party's control or direction. It is highly unlikely that rental activity will generate sufficient income to cover all expenses of the Property. Manager has not represented that Owner will receive any specific amount or level of rental income.

Owner has been advised to seek whatever independent advice and counsel necessary to fully understand the ramifications of rental property programs. It is Manager's intention to use its best efforts to evenly spread income to participating owners of units in See Forever Village, The Peaks Resort and associated projects, subject to guest preferences and availability during peak periods and high season, defined by the published nightly room rates.

H. DEFAULT.

If a party defaults in its obligations under this Agreement and such default is not cured within thirty (30) days after notice of such default to the defaulting party or a bankruptcy,

insolvency or similar proceeding is filed by or against a party, then the other party may terminate this Agreement by notice given to the other party and exercise any and all other rights and remedies it may have under this Agreement. Within ten (10) days after the delivery of any such termination notice to either party, Manager shall deliver to Owner a current update of the Advance Rentals Schedule and shall promptly deliver to Owner further updates as reservations are made. Owner and Owner's successors shall be bound by Firm Rental Reservations for a period ending within four (4) months of the termination which were identified in an Advance Rentals Schedule delivered prior to termination, provided that at Owner's request Manager will use reasonable efforts to move renters to alternative accommodations.

I. EXISTING RESERVATIONS.

Manager represents and warrants to Owner that the only rental reservations which Manager has accepted and occur after the Effective Date are fully disclosed in Exhibit B. Owner expressly agrees to fulfill such reservations. Owner represents and warrants that it has not agreed to rent the Property for any period after the Effective Date.

J. DISPUTE RESOLUTION.

Venue for any dispute hereunder shall be in the Courts of San Miguel County, Colorado.

K. ATTORNEYS' FEES.

In case of litigation between Owner and Manager in their respective capacities, the parties agree that costs and reasonable attorneys' and expert witness fees shall be awarded to the prevailing party.

L. MODIFICATION OF THIS AGREEMENT.

No subsequent modification of any of the terms of this Agreement shall be valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. However, if Owner consists of more than one person, Manager may rely upon the action of any such person with respect to the reservation or use of the Property, which action shall be deemed to bind all other persons comprising Owner.

M. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of Colorado.

N. SPECIAL RIGHT OF MANAGER TO TERMINATE

Manager shall have a right to terminate this Agreement if (i) Owner fails or refuses to allow the exterior of the Property to be maintained in all material respects with at least Manager's minimum standards for upscale units managed by it or fails or refuses to allow the interior of the Property to be maintained and, with respect to furnishings, otherwise conform with at least Manager's minimum standards for upscale units managed by it, (ii) Manager has given Owner a notice that this Agreement will terminate on the date which is forty-five (45) days after receipt of

the notice by Owner or on such later date as Manager may specify in the notice unless Owner corrects the failure or withdraws its refusal prior to the specified termination date, and (iii) Owner does not correct such failure or withdraw such refusal prior to the specified termination date. Manager may withdraw at any time a termination notice given pursuant to this Section. Manager acknowledges that the exterior and interior of the Property and the furnishings within the Property currently meet Manager's current minimum standards for upscale units managed by it. As used herein, the term "minimum standards" means the lesser of either current minimum standards or standards prevailing at the time of Manager's election to terminate this Agreement.

[remainder of page intentionally left blank]

Within ten (10) days after the delivery of any termination notice pursuant to this Section, Manager shall deliver to Owner a current update of the Advance Rentals Schedule and shall promptly deliver to Owner further updates as reservations are made. Owner and Owner's successors shall be bound by Firm Rental Reservations for a period ending within four (4) months of the termination which were identified in an Advance Rentals Schedule delivered prior to termination, provided that at Owner's request Manager will use reasonable efforts to move renters to alternative accommodations.

Signed and agreed to this _____ day of _____, _____, effective for all purposes as of _____, _____.

OWNER:

By: _____

Name: _____

Title: _____

MANAGER:

Peaks Hotel, LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

OWNERS RIGHTS OF OCCUPANCY

Owner shall have the absolute right to the use of the Property by Owner, Owner's family, guests and designees at any time or times if Owner has reserved use of the Property by giving prior notice thereof to Manager in accordance with requirements of this Exhibit. A telephonic reservation by an Owner will be accepted by Manager, but such notice will not be deemed effective unless within seven (7) days thereafter Manager receives from Owner a written confirmation of the reservation specifying the check-in and check-out dates. Notice of intended use must be given (a) not later than January 1, for the period beginning the following May 1 and ending the following October 31, and (b) not later than June 1, for the period beginning the following November 1 and ending the following April 30; however, Manager may from time to time change the date by which notice of intended use must be given for any period of use as it deems appropriate to manage more efficiently the rental of the Property and other units in See Forever Village. Notice of reservation of use during a period for which Manager has not entered into rental agreements, accepted reservations or scheduled maintenance may be given by Owner at any time and shall be accepted by Manager, even if Owner has not reserved use pursuant to the preceding provisions of this Section (i.e., Owner may still reserve use of the Property on a "first-come, first-served basis" in accordance with Manager's reservation policies in effect from time to time); provided, however, Manager may refuse to accept any notice of reservation of use for any period which Manager in its reasonable discretion deems necessary for the maintenance of the Property. If Owner has not made a proper and timely reservation of use, Manager may enter into rental agreements, accept reservations, and schedule maintenance, repairs and other work on the Property during such periods; and Owner will honor such commitments. Prior to using the Property during any period, Owner's family, guests or designees will check-in with Manager in accordance with the normal check-in procedures established by Manager.

**EXHIBIT B
EXISTING RESERVATIONS DISCLOSURE**

Renter's Name	Date Reservation Accepted	Occupancy Period	Rental Date	Deposit Received



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 19

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of May 19, 2016
DATE: May 10, 2016
RE: Conceptual Work Session to Discuss a Proposed PUD Amendment, Rezoning with Density Transfer for Lot 105R1 (See Forever Village)

PROJECT GEOGRAPHY

Legal Description: Lot 105R1; COM 1 and un-platted ground level space
Address: 117 Sunny Ridge Place
Applicant/Agent: Daniel and Melissa Reedy
Owner: See Forever Ventures II, LLC
Zoning: Village Core

ATTACHMENTS

Exhibit A: Applicant Narrative

BACKGROUND

The applicant is proposing to purchase approximately 3,400 square feet on the ground floor of the See Forever Village with the intent to include it in the short-term rental pool managed by The Peaks. The current Planned Unit Development (PUD) designates this space as a restaurant and a deed restriction has been recorded. The request is to amend the PUD to remove the restriction; rezone to transfer one unit of condominium density (three person equivalent) to the space and ultimately remove the deed restriction.

Issues to be considered with the proposed actions include:

- The restaurant space was a “community benefit” of the PUD;
- The viability of the restaurant was based in part on a proposed gondola that would have connected See Forever with the Valley Floor;
- The viability of the gondola was hindered by land use changes designating the Valley Floor as open space;
- The restaurant space was to be an anchor to draw pedestrians from Heritage Plaza; therefore
- The Town entered into agreements to maintain the walkways and public plaza areas adjacent to the restaurant space;
- The applicant maintains that changing the vacant space to residential as proposed does provide an equal value replacement to the public benefit of the restaurant as it will generate new County and Town property taxes and TMVOA RETA funds;

- The applicant is proposing to take over from the Town the responsibility of maintaining and operating approximately 11% of the existing snow melt system.

The Mountain Village Center Subarea Plan has no specific actions recommendations for the proposed site. However the plan states general actions to help maintain the core's viability. The actions that relate to this request include:

- Focus high density, mixed-use development in Mountain Village Center by significantly increasing the hotbed inventory to improve the overall economic viability and activity in Mountain Village Center and the town as a whole.
- Prioritize pedestrian circulation to and within the Mountain Village Center.
- Develop additional spa and restaurant spaces designed to fit the needs of each hotbed project. (page 50)

RECOMMENDATION

As outlined in CDC Section 17.4.6.E, any comments or general direction by the Council shall not be considered binding or represent any promises, warranties, guarantees and/or approvals in any manner or form. A conceptual work session shall not be construed as a comprehensive review of the proposal under discussion, and as such, additional issues and/or concerns will most likely arise as part of the formal development review process.



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
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**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 19

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of July 21, 2016
DATE: July 12, 2016
RE: Consideration to Initiate a Major Planned Unit Development (PUD) to Convert the First Floor Commercial Space (Restaurant) to Residential at See Forever Village, 117 Sunny Ridge Place

DISCUSSION

Staff, the applicant and Town Council have discussed a proposed PUD amendment at See Forever on May 19th and are scheduled to continue the discussion on today's agenda. The Planned Unit Development process is predicated on there being unified ownership in the application and implementation of a PUD. The same goes for major amendments. Section 17.4.12 (N) 3a states:

"Amendments to a PUD plan may be initiated by any of the following persons or entities acting alone or together:

- i. The owners of fee title to at least sixty-seven percent (67%) of the real property within the PUD;
- ii. An individual or entity having written permission of the property owner(s) described in section I.1 above; or
- iii. The Town."

There are approximately 30 owners within the PUD. If the applicants decide to go ahead with proposed amendment, the most practical option would be to have it initiated by the Town.

PROPOSED MOTION

"Authorize staff to initiate the Major Amendment to the See Forever Planned Unit Development to convert the first floor commercial space to residential".



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 20

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of July 21, 2016
DATE: July 12, 2016
RE: Joint Discussion with the Design Review Board

When the Community Development Code was adopted there were changes to how a design review case is processed. The change made two meetings with the Board on a design project voluntary instead of a requirement. Staff held a study session with the Board and Jim Mahoney recorded their consensus on the following issues:

1. They feel there is a newfound sense of entitlement by owners and architects for their design regardless of the regulations, which is leading to pressure on DRB to rush through and approve things at one meeting.
2. The DRB used to have sketch plan approval where they focused on conceptual issues such as mass and scale, fit, roof form and other big picture issues with a final plan approval to go through details such as lighting landscaping etc. With the process as it is set up now there is only one step (for which they feel pressured to approve at the one noticed meeting) so they end up focusing on the details while the mass and scale, the larger issues are getting overlooked.
3. If there are issues they can always continue to another meeting, but the pressure to not do this is something they worry about.
4. It puts an added burden on staff to identify all of the issues and work with architects and owners prior to meetings. Staff gets even more push back, basically being told, "put it to the DRB" to determine. I have seen this first hand and agree with it. It is different for the DRB to tell an applicant "no" versus staff.
5. Open conversations on changes during the old sketch review process don't occur and are distilled to the details, thus, missing the big picture.
6. Architects are bringing increasingly more non-compliant applications and taking advantage of the situation and not getting enough pressure to be compliant with regulations, thereby seeking multiple variations in one application. This may be due to the fact that there are increasingly more challenging lots. DRB suggested a threshold to

where if an applicant seeks a variation or perhaps more than one variation, it automatically requires a two-step process.

7. Suggestion of mandatory work sessions was discussed, but DRB did not see that as a good alternative as a work session doesn't always have the level of detail needed; isn't noticed and DRB's input is simply that rather than specific direction if it is a sketch plan review.
8. Two-step process actually gives the architect more time to work with the design hearing from DRB and really only extends the process by 30 or so days in what is in reality a three year process to get the house designed, approved and built.

A change to the process would likely require an amendment to the Community Development Code. Staff felt the joint work session would allow the Board and Council to discuss the issue and potentially give staff direction.



**PLANNING AND DEVELOPMENT SERVICES
DEPARTMENT**

455 Mountain Village Blvd.
Mountain Village, CO 81435
(970) 728-1392

Agenda Item No. 21

TO: Town Council
FROM: Glen Van Nimwegen, Director
FOR: Meeting of July 21, 2016
DATE: July 13, 2016
RE: Discussion Regarding Process to Replace Roofing in the Village Core

DISCUSSION

Anton Benitez, Executive Director of Telluride Mountain Village Owners Association (TMVOA) has been contacted by several building owners in the core about the town requirements for the tile roofs in the Core. The Community Development Code specifically dictates that:

“Village Center roofing material shall be concrete tile or synthetic materials that emulate concrete tile of the color burnt sienna except for special copper accent roofs that shall require specific approval of the DRB.”

The current tile is no longer manufactured. The Design Review Board approved another roof material for secondary roofs at the Franz Klammer building, which allowed them to store the tiles from these sections of roof for the main roof. This is a good short term strategy, but the concern is longer term. Staff has also tested a synthetic tile which was found to not be durable under freezing temperatures. The long term solution raises the following questions: should all of the Village Core roofs be the same material? If so, what is that material and if not, what is appropriate?

Specifically, we would like begin a discussion on the following:

1. Baseline understanding of the current CDC code as it relates to roof tiles in the Core
2. Understanding of current situation with broken tiles throughout buildings in the Core
3. Need to develop a short-term plan for replacement of broken tiles and/or other roofing options for property owners
4. Need to develop a long-term plan to ensure high-quality and positive aesthetics of buildings in the Core

TOWN OF MOUNTAIN VILLAGE
Town Council Regular Meeting
July 21, 2016
8:30 a.m.

During Mountain Village government meetings and forums, there will be an opportunity for the public to speak. If you would like to address the board(s), we ask that you approach the podium, state your name and affiliation, and speak into the microphone. Meetings are filmed and archived and the audio is recorded, so it is necessary to speak loud and clear for the listening audience. If you provide your email address below, we will add you to our distribution list ensuring you will receive timely and important news and information about the Town of Mountain Village. Thank you for your cooperation.

NAME: (PLEASE PRINT!!)

Michelle Lynce	EMAIL: on file
Bill Whitehurst	EMAIL:
Steve Lehane	EMAIL:
Rachelle Redmond	EMAIL:
Anton Benitez	EMAIL:
Shannon Suka	EMAIL:
Hedrae Knox	EMAIL:
Josie Browning	EMAIL:
Trevor Browning	EMAIL:
PAUL MASOR	EMAIL:
Tom McGlade	EMAIL:
Greg Pack	EMAIL:
Chris Hopkins	EMAIL:
DAN REEDY	EMAIL:
Bea Jackson	EMAIL:
Shree Apple (DDB)	EMAIL:
✓ LIZ CATCH	EMAIL:
✓ DAVID ECKMAN	EMAIL:
L+B Garland.	EMAIL:
Jack Skull	EMAIL: Do you know what L & B stand for?
✓ Banks Brown	EMAIL:
Luke Trujillo	EMAIL:
Greer Garner	EMAIL:
Liz Caton	EMAIL:
Keith Brown	EMAIL:
Phil Evans	EMAIL:

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NAME: (PLEASE PRINT!!)

Kim Montgomery	EMAIL:
David Reed	EMAIL:
Sarah Abbott	EMAIL:
Susan Johnston	EMAIL:
Jackie Kennetick	EMAIL:
Christina Meilander	EMAIL:
Tim Johnson	EMAIL:
Jim Mahoney	EMAIL:
Laila Benitez	EMAIL:
Marty Mackley	EMAIL:
Chris Broady	EMAIL:
Bruce Macintire	EMAIL:
Michelle Sherry	EMAIL:
Dan Caton	EMAIL:
Dan Jansen	EMAIL:
Douglas Trobec	EMAIL:
Dominic Maynelko	EMAIL:
ROBERT STENHAMMER	EMAIL:
Karen Coughlin	EMAIL:
Jodi Miller	EMAIL:
MARK MARTIN	EMAIL:
Ellie Reuhl	EMAIL:
PHIL EVANS	EMAIL:
Nick Surr	EMAIL:
K. Sherwood	EMAIL:

Do you have any idea who the last two signatures are?

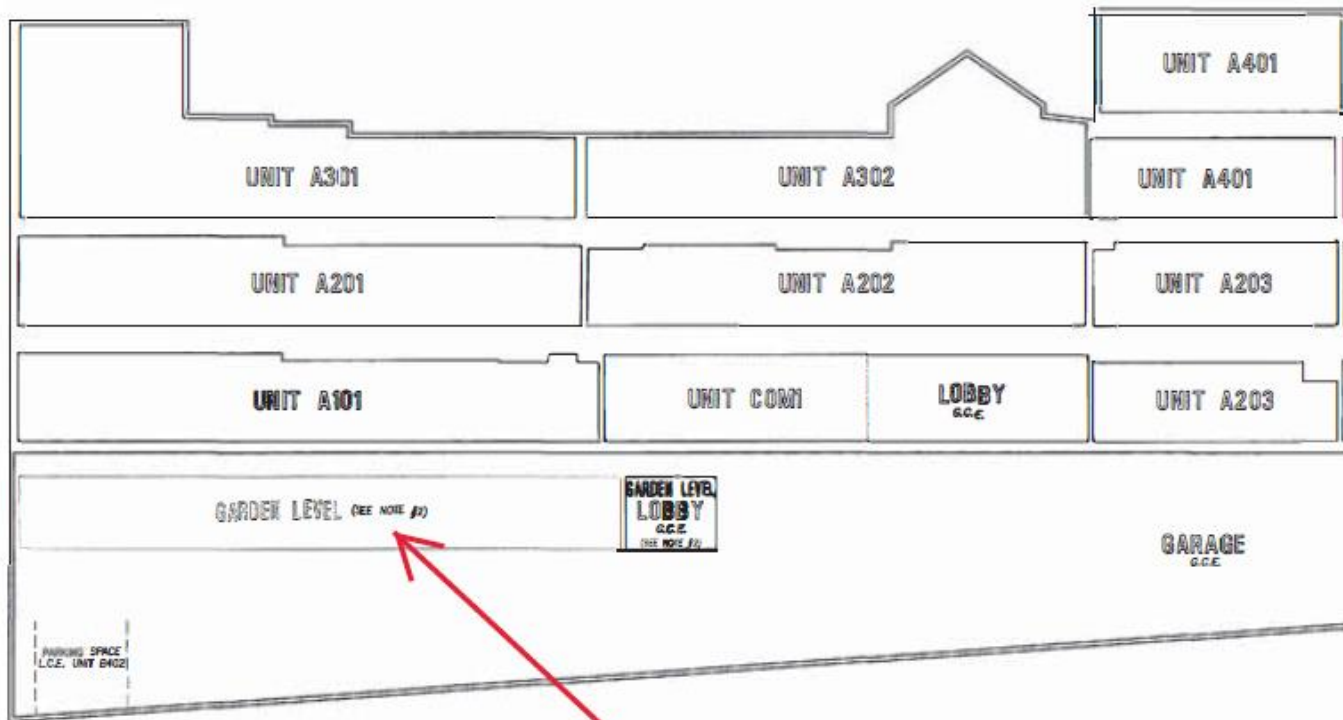
See Forever Restaurant Space Conversion

July 21st Town Council Work Session

Overview



Overview

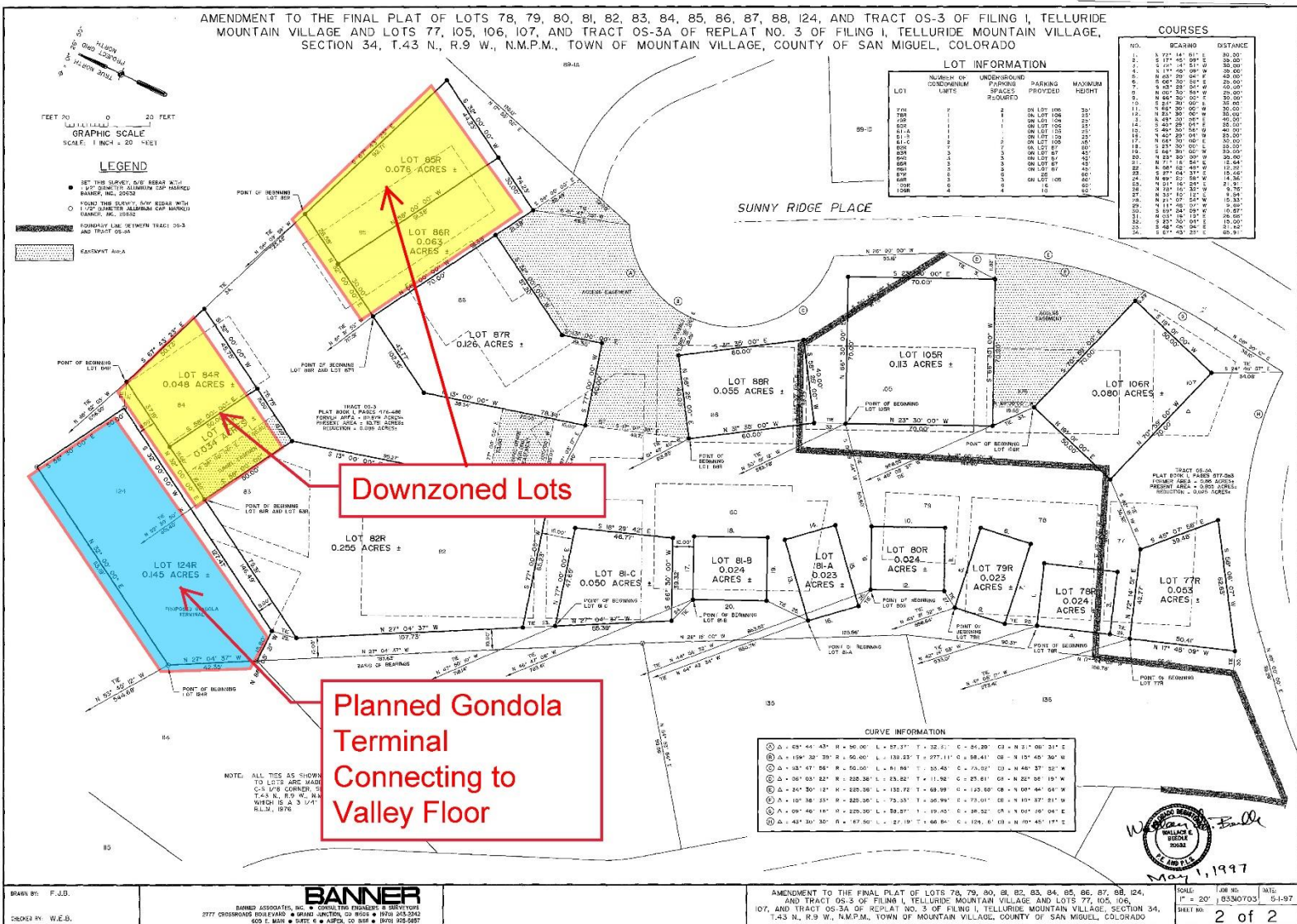


Restaurant Shell Space at Garden Level

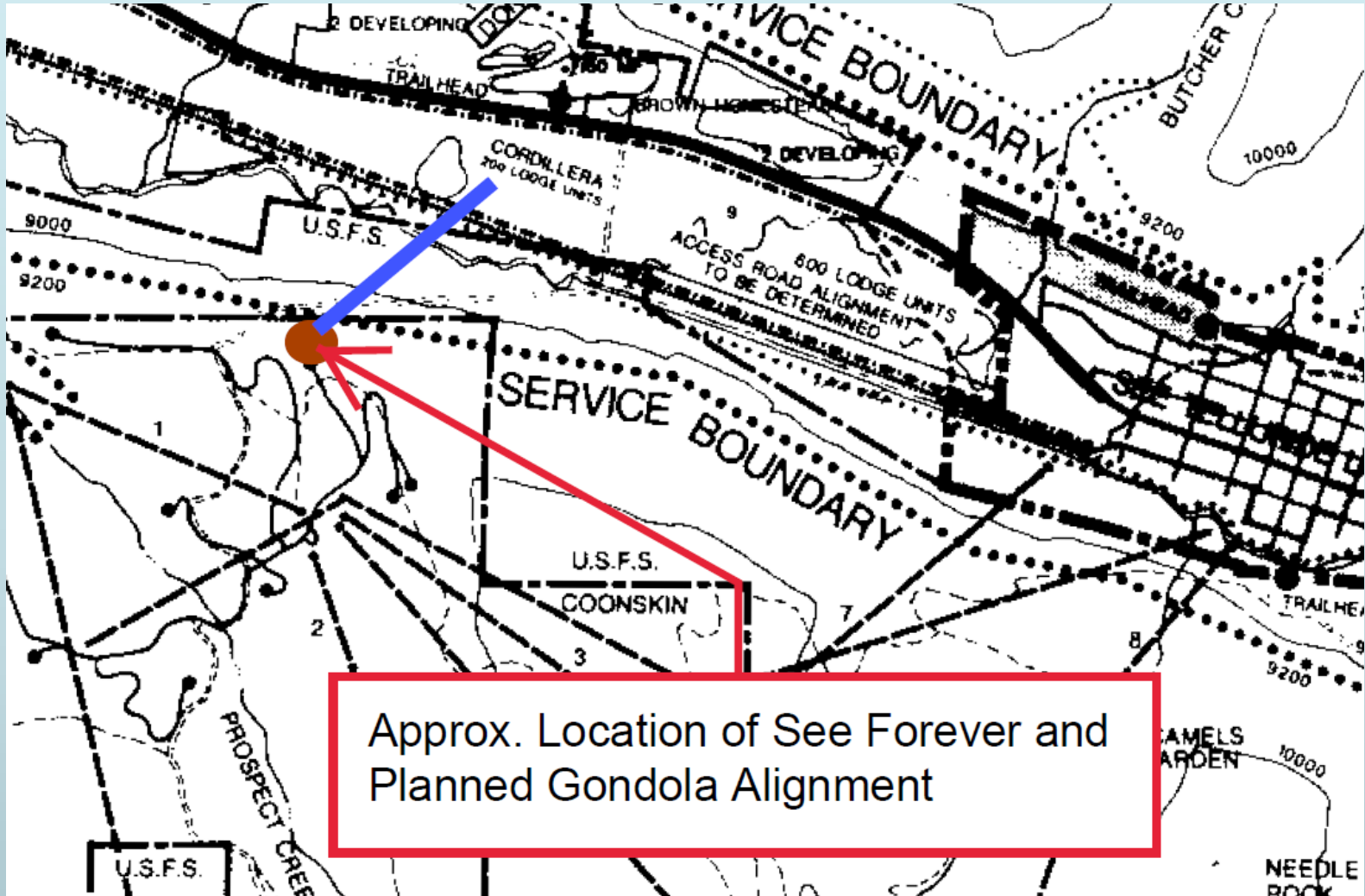
Public Benefit Failure

- The restaurant at See Forever is a failed community benefit.
- Failed due to the Town of Telluride condemnation of the Valley Floor, the removal of envisioned Valley Floor density (800 units), the associated loss of the planned gondola terminal at See Forever, and the subsequent removal of all the pedestrian traffic that would have been passing by the restaurant.
- Downzoning also impacted the restaurant.

Public Benefit Failure



1987 Telluride Master Plan



Public Benefit Failure

- The current owner still tried to make this space viable without the gondola foot traffic for over 11 years.
- It is now necessary to adjust to market conditions to achieve the highest and best use for this space as a condominium land use.

Restaurant, Snowmelt and Plaza Improvement Requirements

- The restaurant was required by the See Forever Design Guidelines created by Ron Allred and adopted by the Town into the old Design Regulations.
- The old LUO and Design Regulations also required a restaurant, snowmelt and plaza improvements for all Village Center Development.
- The Metro District required plaza areas and snowmelt as public improvements on public open space it would maintain in perpetuity.

Restaurant, Snowmelt and Plaza Improvement Requirements

- The See Forever plaza spaces were the public ways connecting to and from The Peaks and the Village Center to 800 units of density on the Valley Floor.
- Additional pedestrian traffic staying/living in West Telluride would have also used the gondola.
- The restaurant was a small part of the overall big picture.

PUD Community Benefit

- Developers typically do not get to count code requirements as public benefit in a PUD process.
- This would be the same as being able to count required employee housing units as a community benefit that justify a PUD variation, such as a height increase.
- We therefore believe that the restaurant was inadvertently counted as a public benefit.

PUD Community Benefit

Table 2. Community Benefit Estimated Costs

Community Benefit	Estimated Cost
Lots 83R, 84R, 85R and 86R Dedication to the Metro District	\$696,150 ²
14 Condominium Units to the Metro District in the Density Bank	\$112,500
Three Additional Employee Apartments	\$1,169,500 ³
Observation Area (Stone plaza, Snowmelt, Signs, Fire Pit, Wall, Grading, Etc.)	\$650,000
Total Estimated Community Benefit Costs	\$2,628,150

²Based on \$3,150,000 note and not including any equity in the project.

³ Based on See Forever developer costs of \$500 per square foot for 2,339 sq. ft. in three units.

PUD Community Benefit

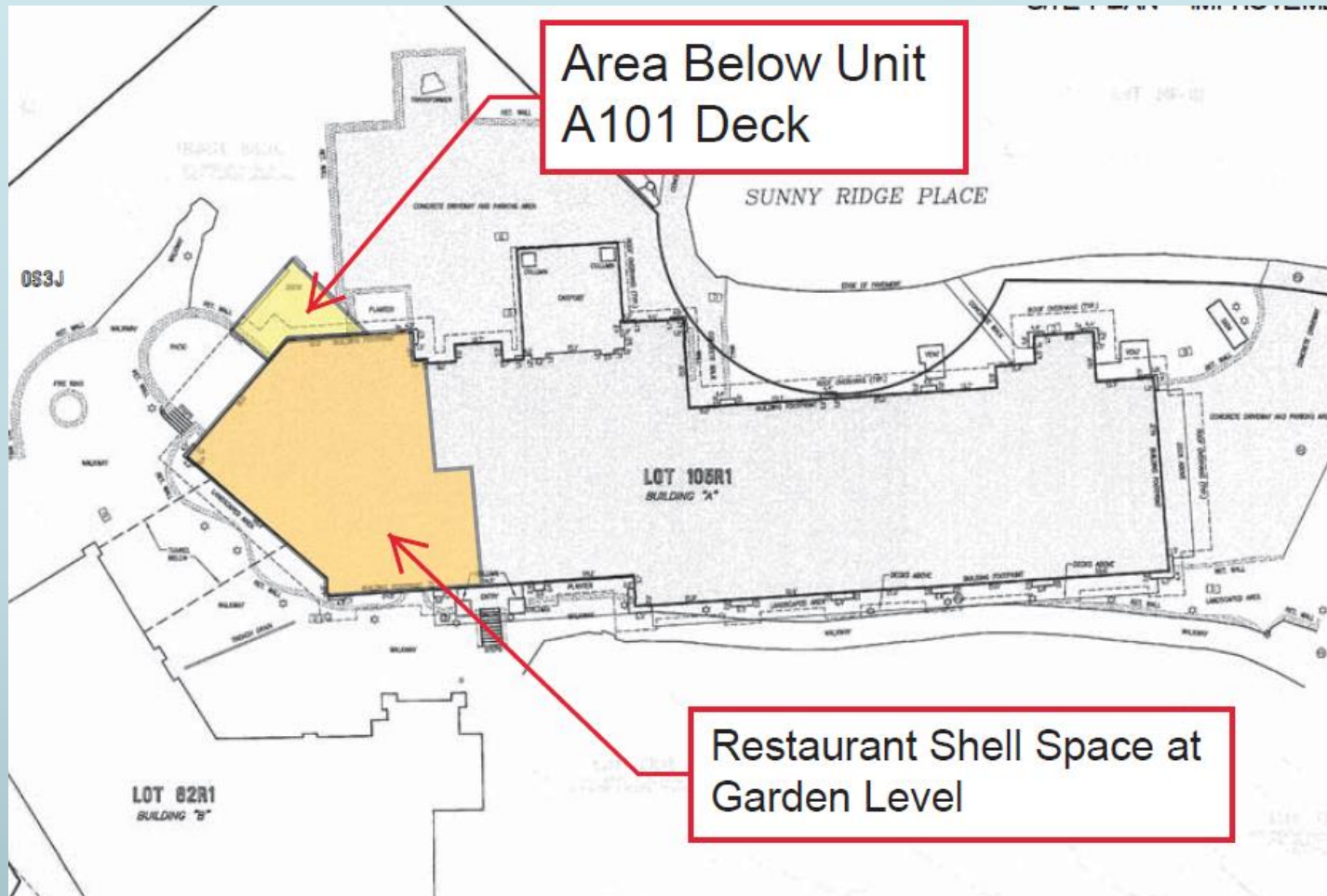
- We believe \$2.6 million in costs would justify the approved PUD variations as shown in Table I.
- The current Owner also indicated he has invested approximately \$2.4 million in cost towards the build out of the restaurant space.
- We understand there needs to be some replacement community benefit since the restaurant is listed as a benefit in the PUD.

PUD Community Benefit



See Forever Addition

Dan and Melissa also desire to expand the restaurant space below the Unit A101 deck.

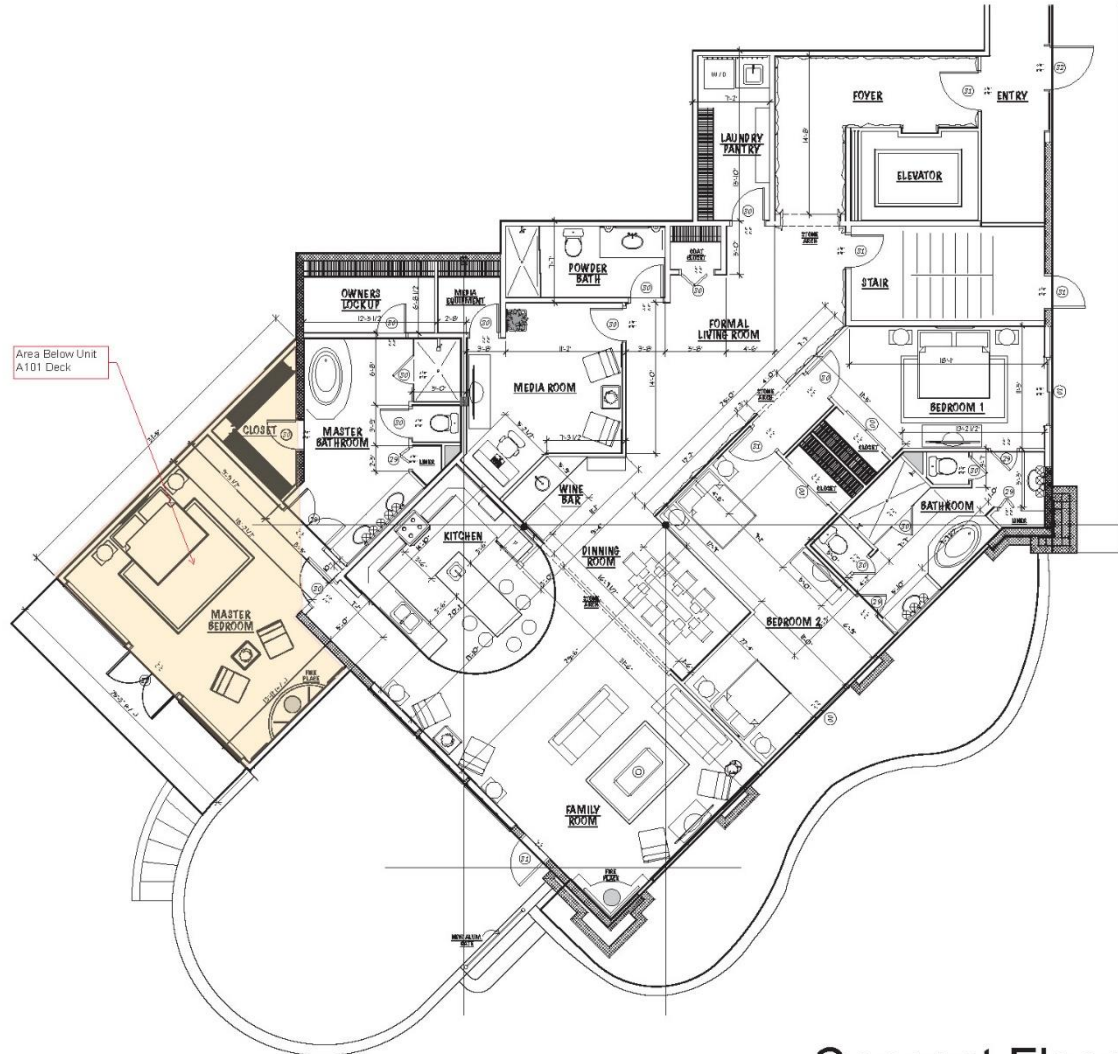


See Forever Addition

- Expansion area is located on Town-owned open space OS-3J that was required to be dedicated to the Town as a community benefit.
- Approx. 400 sq. ft.; not useable by the public; has a soil groundcover; and is already developed.



See Forever Addition



Concept Floor Plan

Consideration and Replacement Community Benefit

1. **Cash Contribution.** Cash Contribution of \$60,000 for conveyance of 400 sq. ft. and replacement benefit.
2. **Hotbed Benefit.** PUD requirement to include the new unit under the See Forever Unit Management Agreement and in the short-term rental pool in order to generate revenue for 1% landscaping mitigation fee.

Consideration and Replacement Community Benefit

- 3. Landscaping Mitigation Fee.** 1% of rental revenue will be paid to the Town for it to use on landscaping mitigation costs at See Forever.
- 4. Snowmelt Area Reduction.** Snowmelt area currently paid for by the Town will be reduced to remove restaurant patio area and walkway serving Lot 114.

Hotbed Benefit

- PUD requirement will ensure the new unit will be placed under the See Forever Unit Management Agreement and that it is rented.
- All PUDs have enforcement provisions.
- Rentals through TSG management of The Peaks will produce income and revenue to the Town.

Hotbed Benefit

- ▶ The essence of the UMA short-term rental program is to have The Peaks provide rental management, check-in/check-out services, housekeeping services, and marketing services.
- ▶ Guests can also use The Peaks facilities for a daily fee.
- ▶ The UMA also requires owners to notify them of dates they will be staying in their unit and provides incentives if the owner makes a unit available during peak rental periods.

Hotbed Benefit

- ▶ The Applicants cannot agree to a more restrictive hotbed agreement than the UMA because they do not want to further stigmatize the new condominium unit with additional hotbed restrictions that would significantly reduce the value of the property.
- ▶ The See Forever Village voluntary rental program has proved to be a successful rental or hotbed generator for the Town.
- ▶ A majority of See Forever owners participate in the program and most of the units are available for rental during peak periods.

Hotbed Benefit

- Hotbed benefit was created as a way to generate revenue through the 1% landscaping mitigation fee to the Town to help offset landscaping costs at See Forever.
- Very important that the PUD agreement allow for the removal of the hotbed benefit and the associated 1% landscaping mitigation fee if the See Forever HOA or third party agree to take over the landscaping maintenance costs at See Forever.

Summary

The following should be significant to the Town when evaluating the replacement community benefit package:

- \$2.6 million dollars in community benefits.
- The lost financial investment in the restaurant shell space in excess of \$2 million.
- A good faith attempt to make the restaurant space viable in light of the Valley Floor condemnation.
- Restaurant was a code requirement.
- Telluride's condemnation of the Valley Floor made the restaurant unviable.

Questions?

Replacement Public Benefit



EXHIBIT A - AGREEMENT REGARDING MAINTENANCE OBLIGATIONS

Project No.	Project Name	Location	City	State

FOLEY ASSOCIATES, INC.
 970 728 6100 970 728 6000 Fax
 P.O. BOX 1985
 125 W. PACIFIC, SUITE D-1
 TELLURIDE, COLORADO 81450
 Drawing path: 100_PCH
 Sheet: 01 of 01
 Project #: PRJ_14189

10/20/2015 10:00 AM C:\Projects\14189\14189_01.dwg Plot Date: 10/20/2015 10:00 AM

Negative Property Values with Hotel Madeline Hotbed Restrictions

- ▶ Unit 520 (asking \$593/sf) vs: unit 1404 (asking \$914/sf) is \$321 / sf less with more restrictions.
- ▶ Unit 314 (asking \$639/sf) vs: unit 620 (asking \$982/sf) is \$343 / sf less with more restrictions

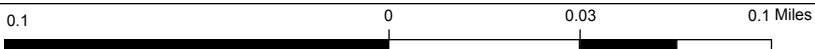


Legend

- Road names
- County Boundaries

Map Generated
5/18/16 7:26 PM

Notes




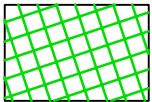

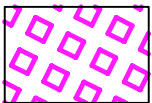
1:2,110



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION
www.sanmiguelcountyco.gov

LEGEND

-  B101 PATIO TO BE MAINTAINED BY SEE FOREVER VILLAGE HOA AND SECONDARY WALKWAYS
TOTAL AREA = 8137 SQ.FT.
-  LANDSCAPING AREA TO BE MAINTAINED BY SEE FOREVER VILLAGE HOA
-  TO BE MAINTAINED BY THE TOWN OF MOUNTAIN VILLAGE
TOTAL AREA = 11538 SQ.FT.
-  TO BE MAINTAINED BY THE TOWN OF MOUNTAIN VILLAGE

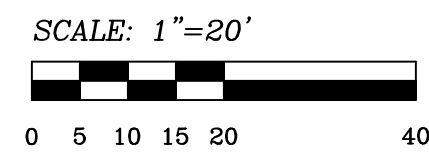
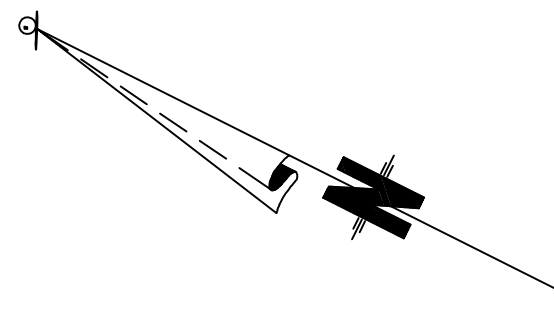
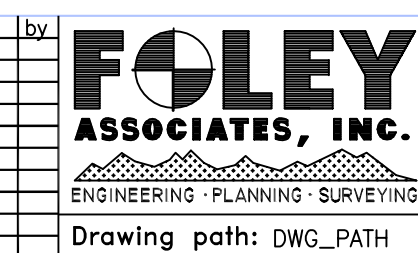


EXHIBIT A - AGREEMENT REGARDING MAINTENANCE OBLIGATIONS

Project Mgr:	Rev.	description	date	by
PROJ-MGR				
Technician:				
Checked by:				
Start date:				



970-728-6153 970-728-6050 fax
 P.O. BOX 1385
 125 W. PACIFIC, SUITE B-1
 TELLURIDE, COLORADO 81435

Drawing path: DWG_PATH SheetSHEETof SHEETS Project #: PROJ_NUMBER

W:\Jobs\CBBS\1991\0128 See Forever\dwg\CONDO 04-08 Maintenance 04-08.dwg, 4-28-2008 10:50:59 AM, .lrf

WORKFORCE HOUSING WORKING GROUP BRIEFING

Town of Mountain Village Council
Work Session
July 21, 2016



OBJECTIVE AND PRINCIPLES

- Purpose - to facilitate an apolitical discussion with the regional land planning professionals to identify appropriate land parcels and test the economic viability of private public partnership (P3) real estate developments to build rent and for-purchase workforce (100-200% AMI) housing.
- Define principles/definitions
- Inventory government owned land parcels
- Telluride Region = R1 School/Hospital District
- Leverage “initiative” capacity of the Telluride Foundation

WORKING GROUP AND PROCESS

Working Group

- Dan Tishman, Foundation Initiatives Chair, Tishman and AECOM
- Glen Van Nimwegen, Town of Mountain Village, Planning Director
- Lance McDonald, Town of Telluride, Special Projects
- Mike Rozycki, San Miguel County, Planning Director
- Jeff Proteau, TSG, Planning Director and TMVOA Board
- Paul Major and April Montgomery (former County Planning), Staff

Process

- Agree principles/definitions for work
- Hired EPS for data and research
- Created P3 parcel pro forma
- Brief paper and presentation to Governments

CHANGING SUPPLY AND DEMAND

Supply

- Changing Supply
- 30%+ loss of inventory
- Gentrification, AirB&B, VRBO
 - Vacation to full-time
 - Options for owners to monetize asset
 - Covert primary to second home

Demand

- Teachers
 - School district 600 to 900+ in 7 years
- Business managers
 - Expanding economy; job growth
- Government, fire, public safety employees

SUMMARY AND ASK

- Validates P3 opportunity for Telluride region
- MOU between governments to announce support and create process to pursue
- Hire an “owner’s representative” professional to bring additional expertise and negotiating power to deal structure

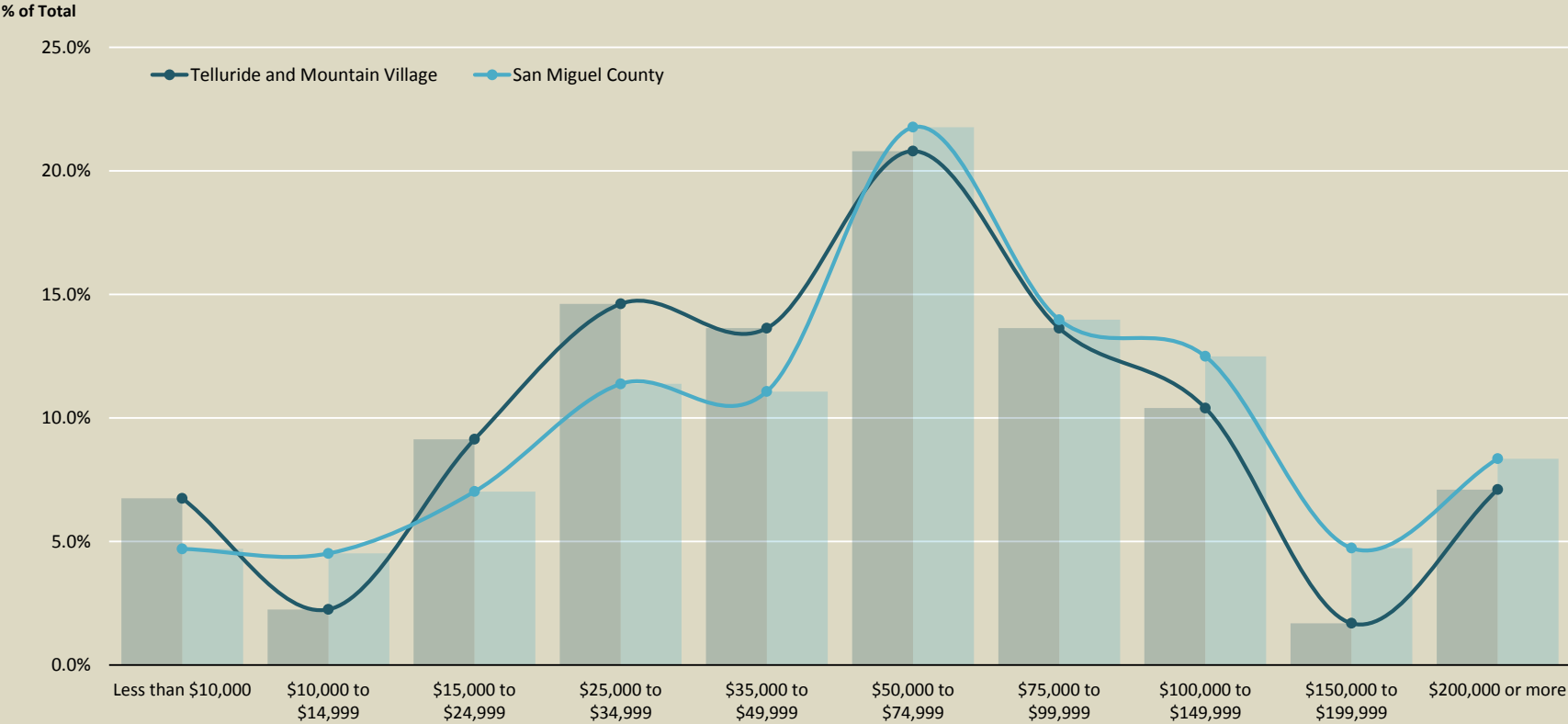
SUPPORTING DATA

TELLURIDE  FOUNDATION



HOUSEHOLD INCOME DISTRIBUTION

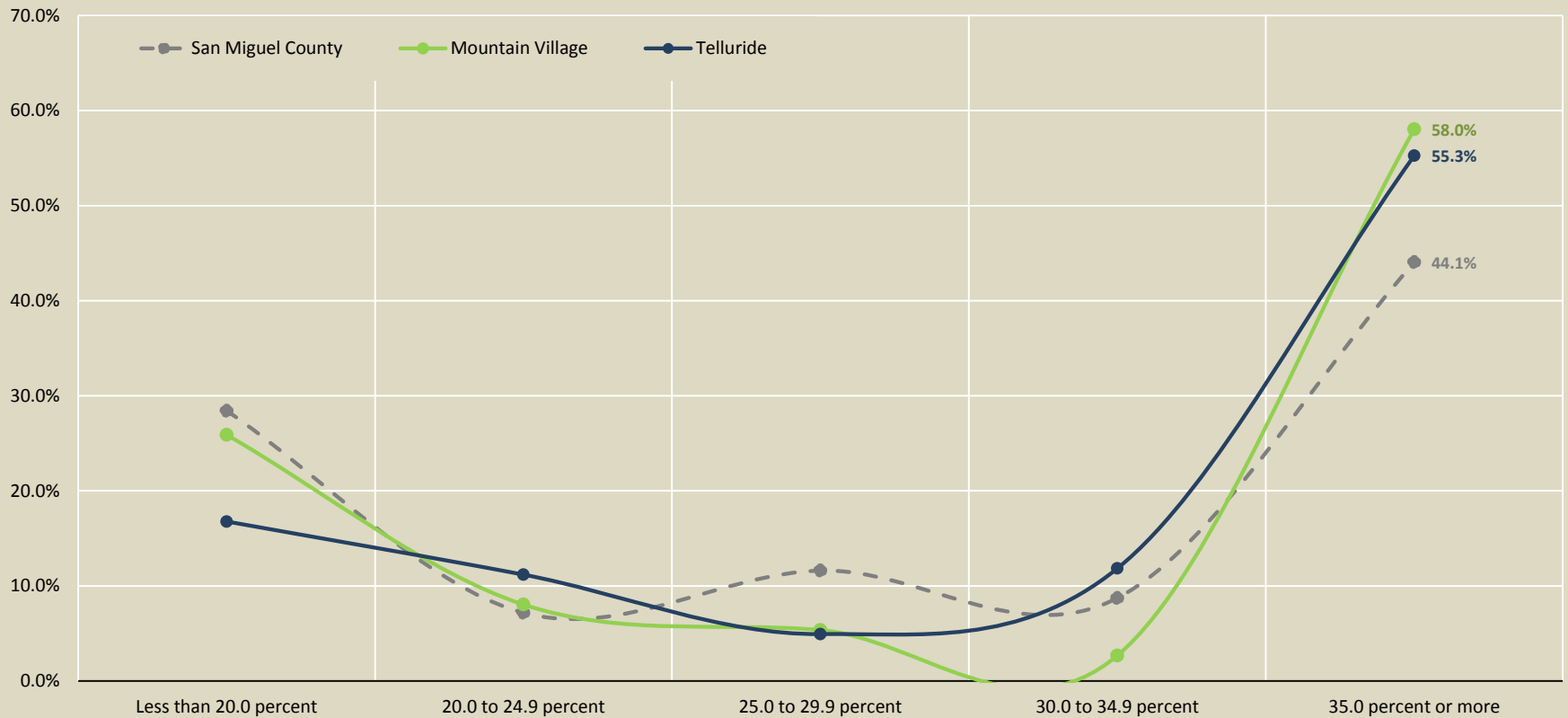
Household Income Distribution
Telluride, Mountain Village, and San Miguel County



Source: U.S. Census Bureau; Economic & Planning Systems

HH INCOME SPENT ON OWNERSHIP COSTS

Percent of HH Income Spent on Ownership Costs
2013

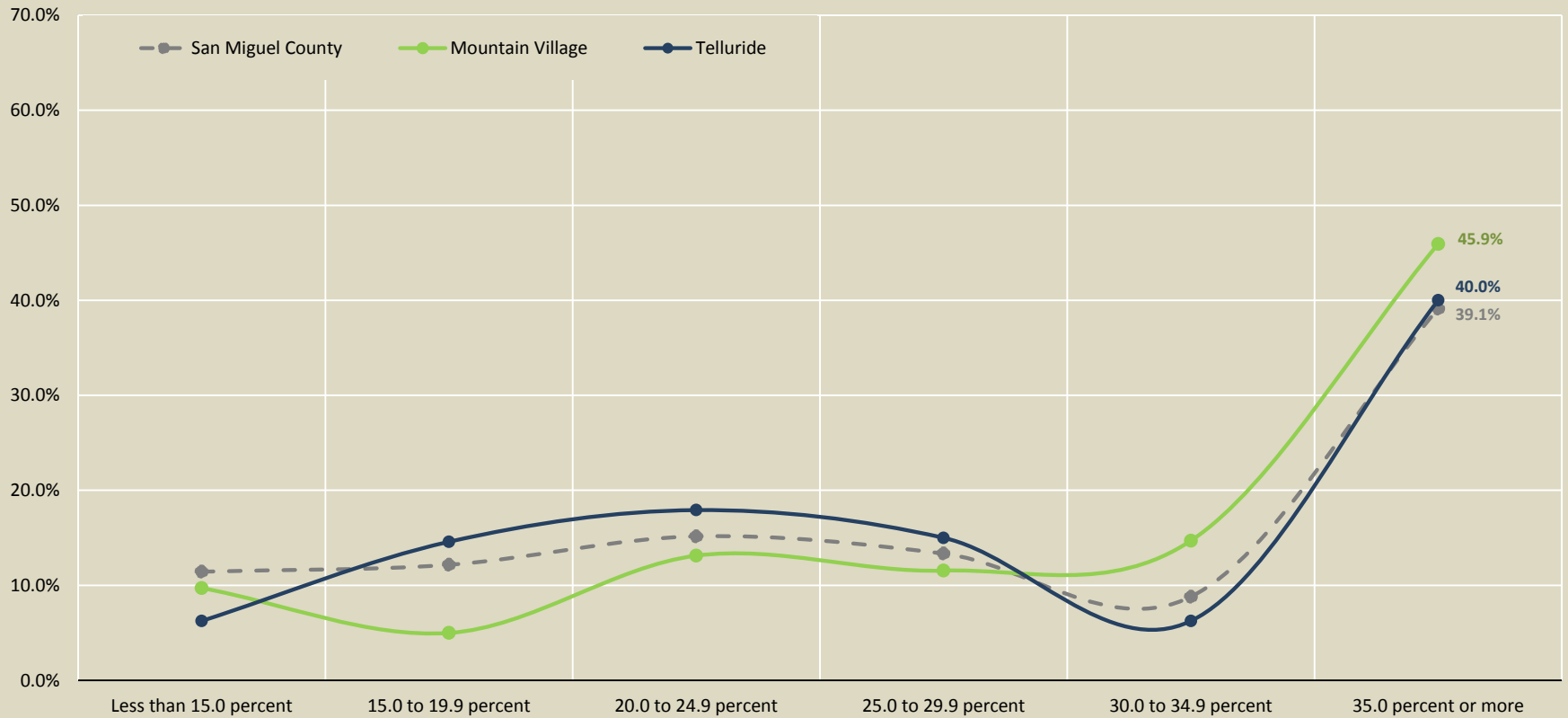


Source: U.S. Census Bureau; Economic & Planning Systems

HH INCOME SPENT ON RENT

Percent of HH Income Spent on Rent

2013



Source: U.S. Census Bureau; Economic & Planning Systems

SAN MIGUEL COUNTY EMPLOYMENT

Description	2000	2008	2010	2014	Pre-Recession 2000-2007			Recession 2008-2009			Recovery 2010-2014		
					Total	Ann. #	Ann. %	Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Agriculture, Forestry, Fishing and Hunting	0	0*	0*	0*	0	0	---	0	0	---	0	0	---
Mining, Quarrying, and Oil and Gas Extraction	0	0*	0*	0*	0	0	---	0	0	---	0	0	---
Utilities	0	7*	9*	8*	7	1	---	1	1	8.7%	-1	0	-3.0%
Construction	675	878*	489*	411*	204	25	3.4%	-389	-194	-25.3%	-79	-20	-4.3%
Manufacturing	0	117	43*	146	117	15	---	-74	-37	-39.3%	103	26	35.8%
Wholesale Trade	26	20	19	22	-7	-1	-3.6%	0	0	-0.2%	3	1	3.2%
Retail Trade	477	457	420	410	-19	-2	-0.5%	-38	-19	-4.2%	-9	-2	-0.6%
Transportation and Warehousing	18	49*	49*	53*	31	4	13.6%	0	0	0.1%	4	1	2.1%
Information	105	114*	76*	61*	9	1	1.0%	-38	-19	-18.2%	-15	-4	-5.4%
Finance and Insurance	119	99	87	93	-20	-2	-2.3%	-13	-6	-6.5%	6	2	1.7%
Real Estate and Rental and Leasing	320	235*	198*	262*	-84	-11	-3.8%	-37	-18	-8.2%	64	16	7.3%
Professional, Scientific and Technical Services	131	82	64*	200	-49	-6	-5.7%	-17	-9	-11.2%	136	34	32.8%
Management of Companies and Enterprises	0	0*	2*	4*	0	0	---	2	1	---	2	0	18.9%
Admin., Support, Waste Mng., and Rem. Svcs.	0	96*	123*	92*	96	12	---	27	14	13.3%	-31	-8	-7.0%
Educational Services	10*	58*	55*	62*	48	6	24.6%	-2	-1	-2.2%	7	2	3.1%
Health Care and Social Assistance	68	166	153*	181*	98	12	11.9%	-13	-6	-3.9%	27	7	4.2%
Arts, Entertainment, and Recreation	0	322*	185*	591	322	40	---	-137	-68	-24.1%	406	102	33.6%
Accommodation and Food Services	0	807*	473*	1,165	807	101	---	-334	-167	-23.4%	691	173	25.3%
Other Services, except Public Administration	193	216	211	142	23	3	1.4%	-4	-2	-1.0%	-70	-17	-9.5%
Public Administration	414	528*	504*	445*	114	14	3.1%	-24	-12	-2.3%	-59	-15	-3.1%
Unclassified	0	0	2	4*	0	0	---	2	1	---	3	1	27.8%
Total Employment	4,649	5,107	4,447	4,767	458	57	1.2%	-660	-330	-6.7%	320	80	1.8%

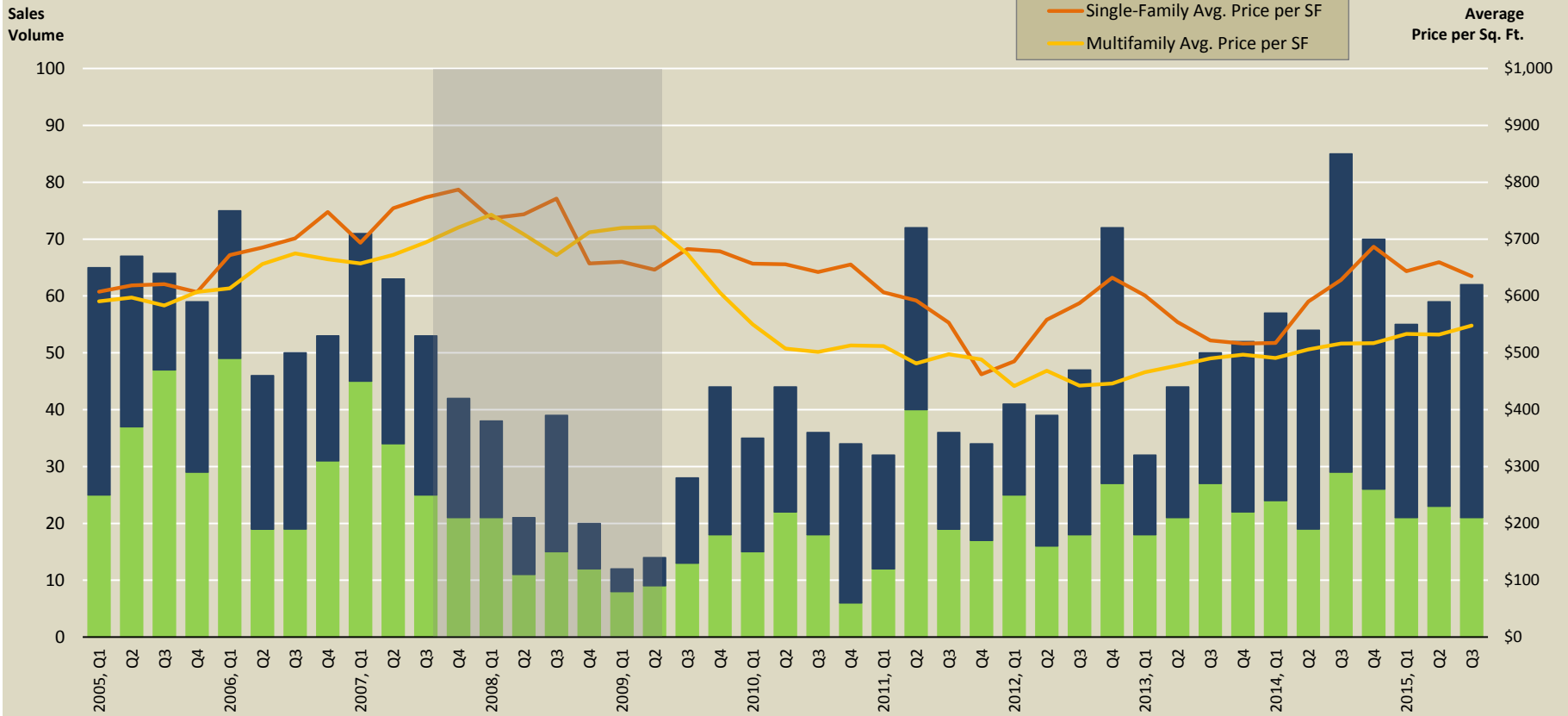
* Indicates all or a portion of employment is withheld due to disclosure issues.

Source: Bureau of Labor Statistics; Economic & Planning Systems

H:\153039-Telluride Workforce Housing Study\Data\153039-Employment-San Miguel-07-14-2015.xlsm]T-EMP SUM

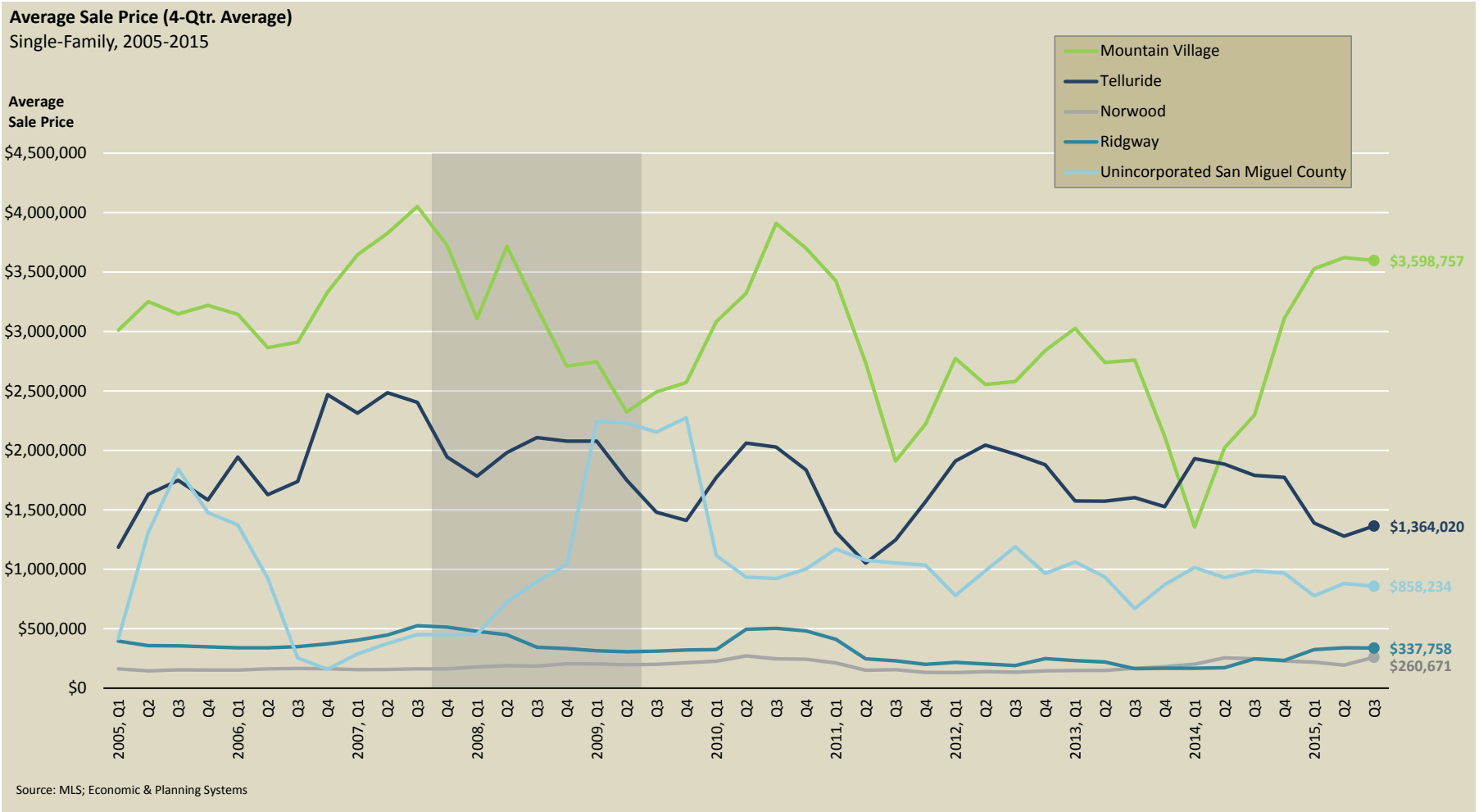
TELLURIDE AND MOUNTAIN VILLAGE

Average Sale Price per Sq. Ft. (4-Qtr. Average)
Single-Family, 2005-2015



Source: MLS; Economic & Planning Systems

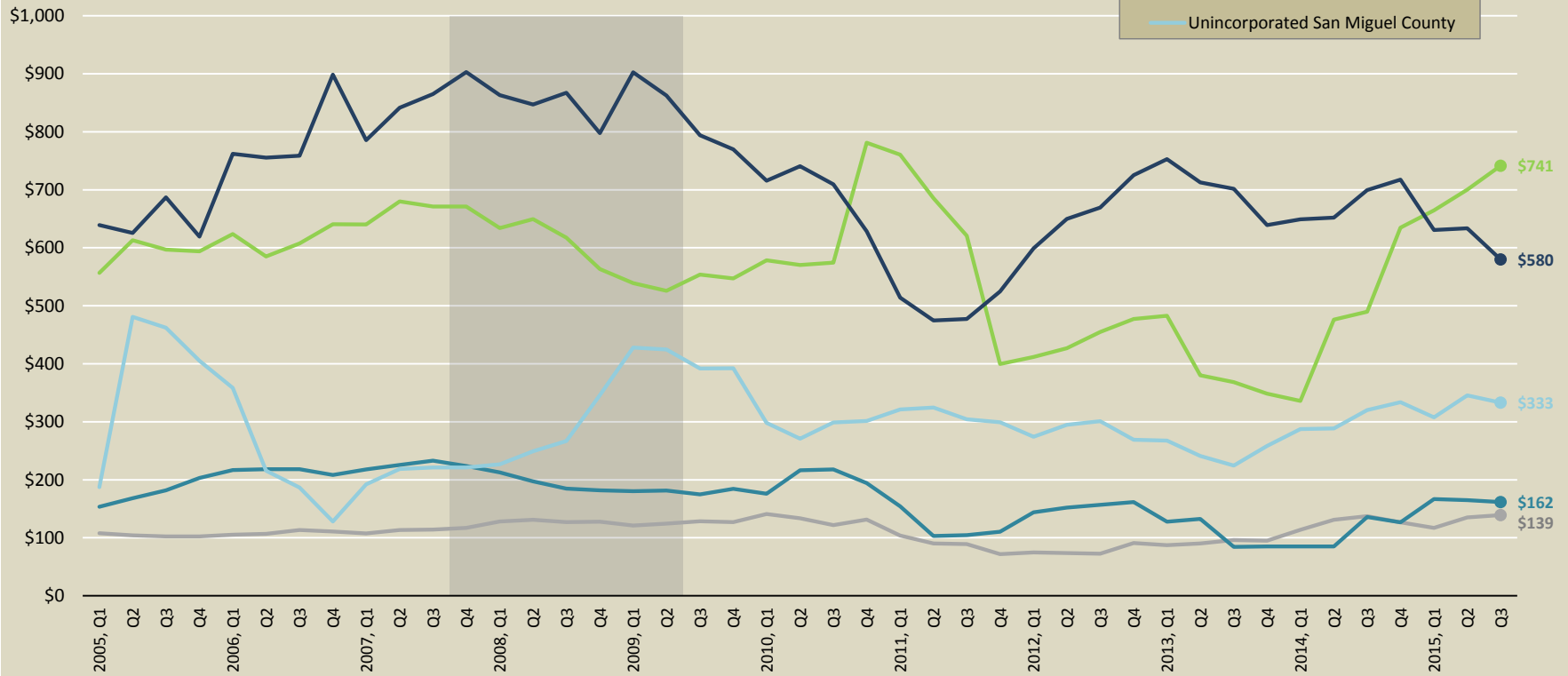
SINGLE-FAMILY: AVERAGE SALE PRICE



CONDO: AVERAGE SALE PRICE

Average Sale Price per Sq. Ft. (4-Qtr. Average)
Single-Family, 2005-2015

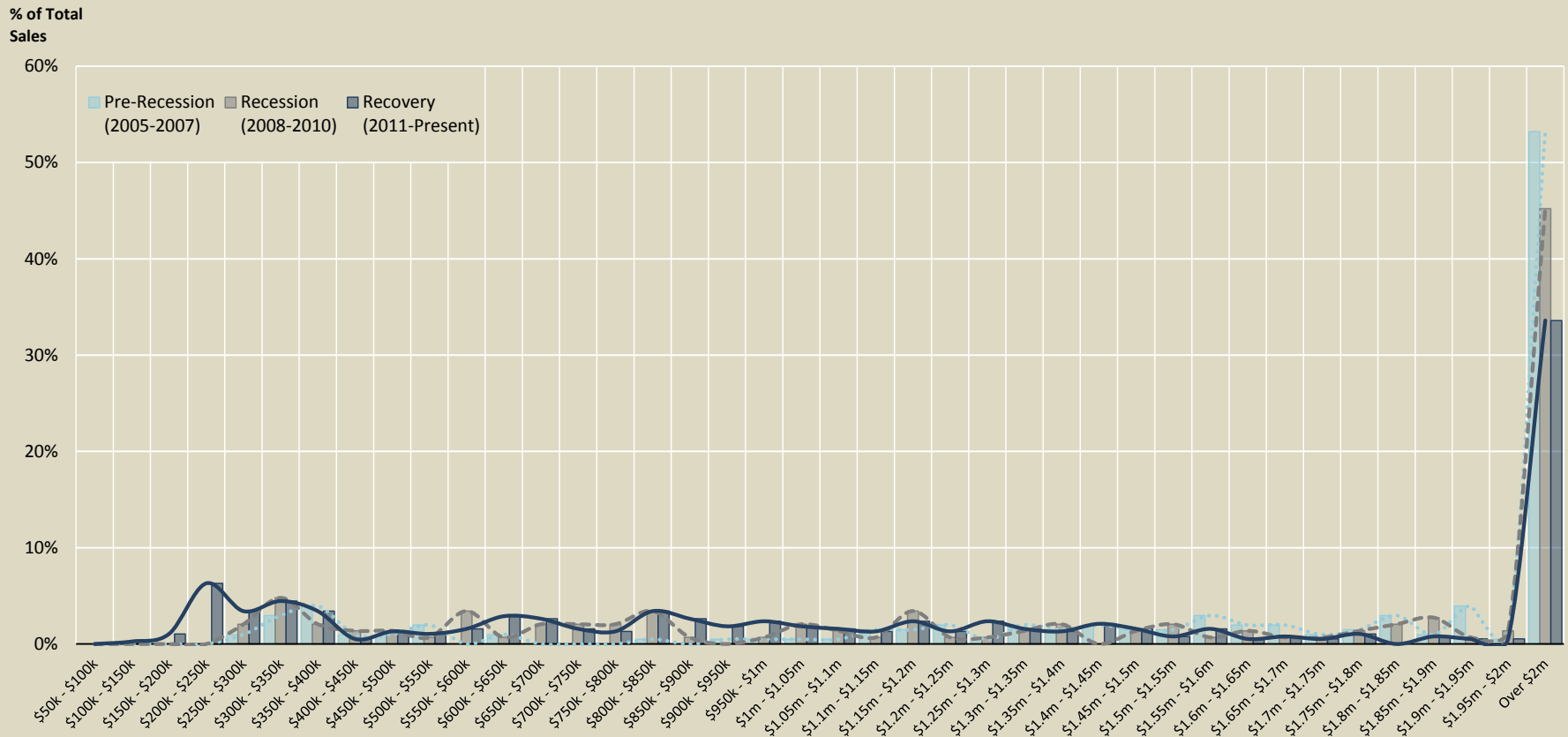
Average
Sale Price per Sq. Ft.



Source: MLS; Economic & Planning Systems

SINGLE-FAMILY: PRICE DISTRIBUTION BY PERIOD

Average Sale Price Distribution by Period
Telluride and Mountain Village, Single-Family

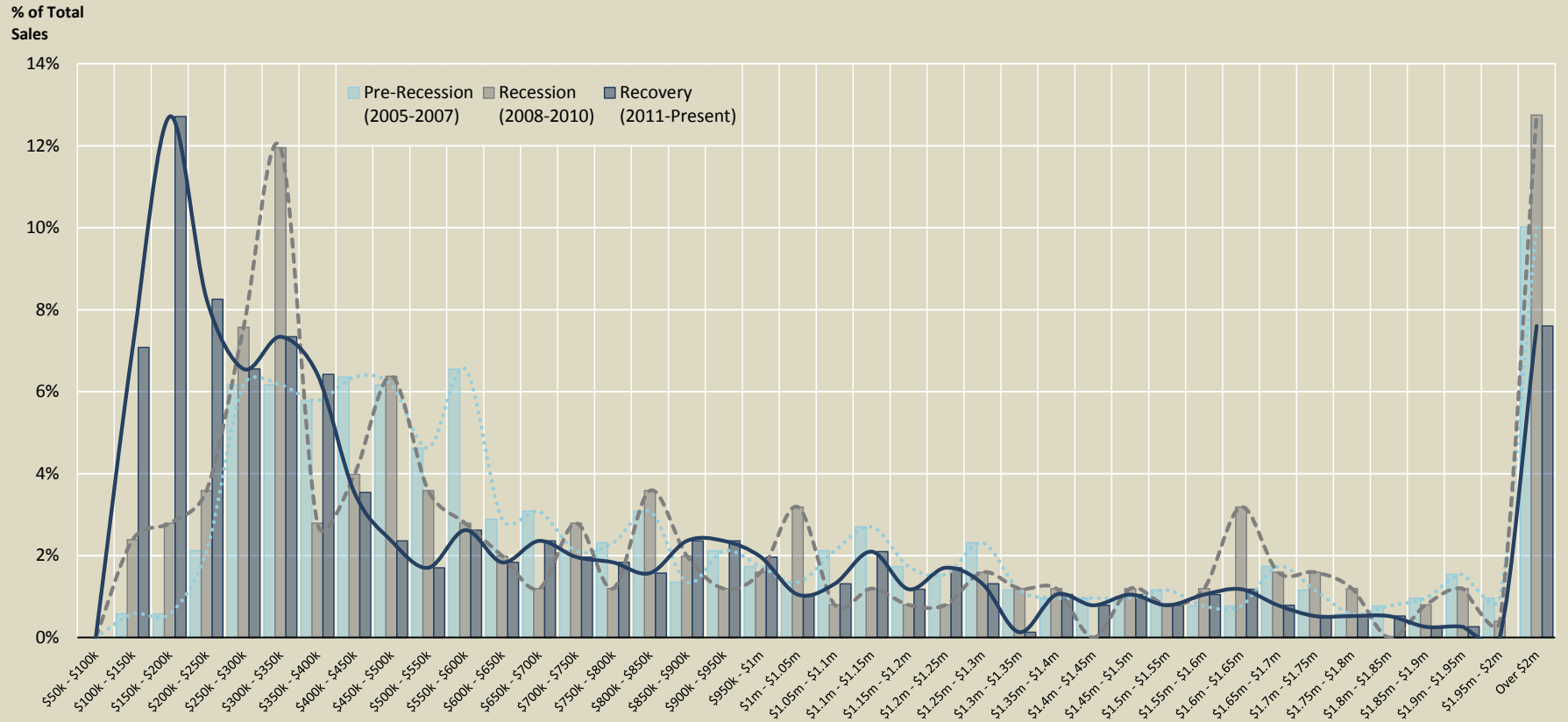


Source: MLS; Economic & Planning Systems

CONDO: PRICE DISTRIBUTION BY PERIOD

Average Sale Price Distribution by Period

Telluride and Mountain Village, Condo

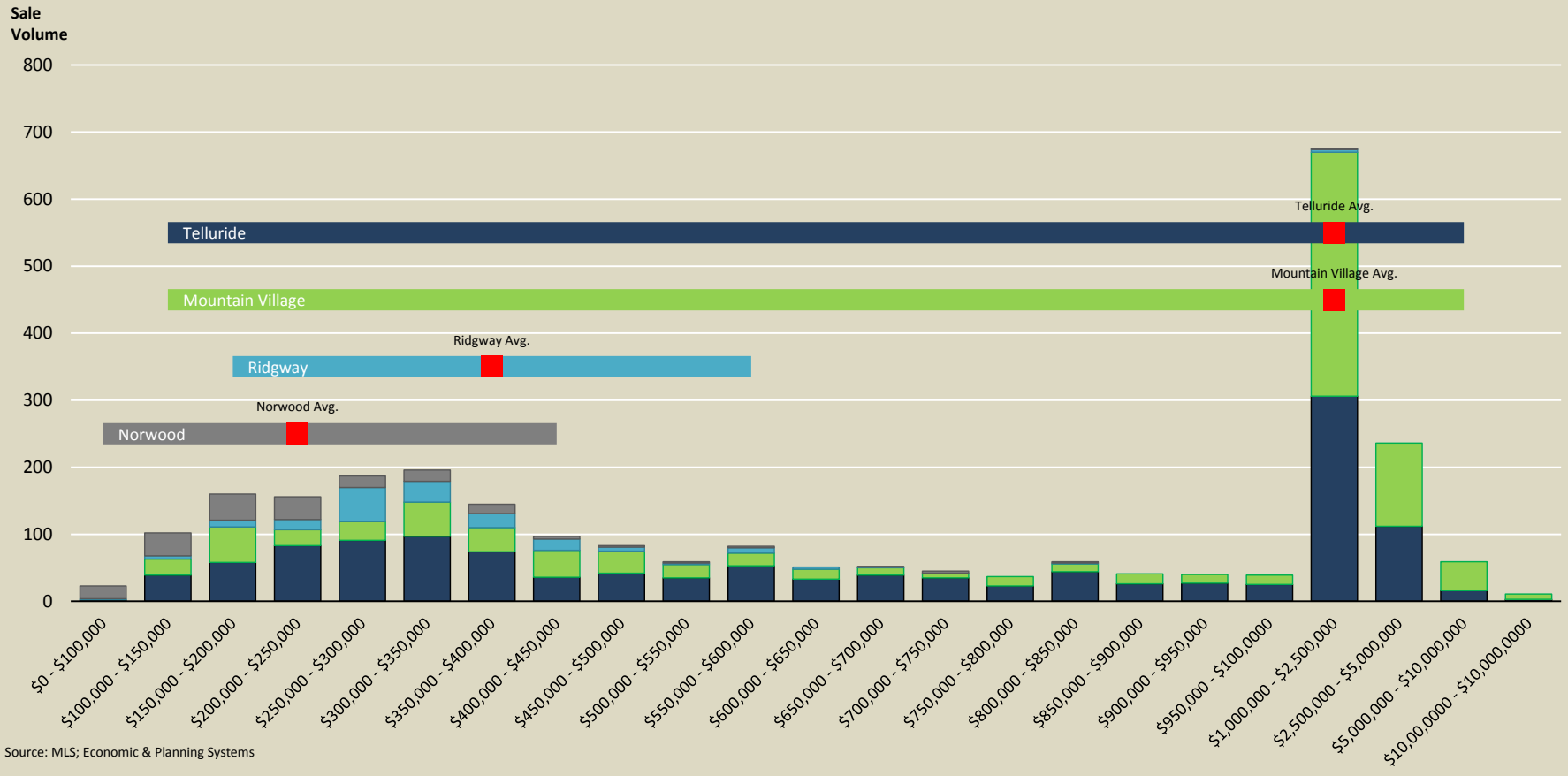


Source: MLS; Economic & Planning Systems

SALE PRICE DISTRIBUTION

Sale Price Distribution

Telluride, Mountain Village, Norwood, and Ridgeway (All sales between 2005 and Q1 2015)



DEED RESTRICTED INVENTORY SUMMARY

Total Change in Units

- **2008-2014:** 33 net units (6 units per year).
- **2000-2014:** 329 net units (24 units per year).

Description	Constructed Units			Approved Units		
	Owner Occupied	Rental	Total	Approved	Prelim. Approval	Total
Deed Restricted Units						
Town of Telluride	102	217	319	0	0	0
Mountain Village	76	427	503	103	1	104
San Miguel County	<u>191</u>	<u>82</u>	<u>273</u>	<u>111</u>	<u>14</u>	<u>125</u>
Subtotal	369	726	1,095	214	15	229
Units Lost						
Town of Telluride	2	---	2			
Mountain Village	80	---	80			
San Miguel County	<u>4</u>	<u>---</u>	<u>4</u>			
Subtotal	86	0	86			

Source: Economic & Planning Systems

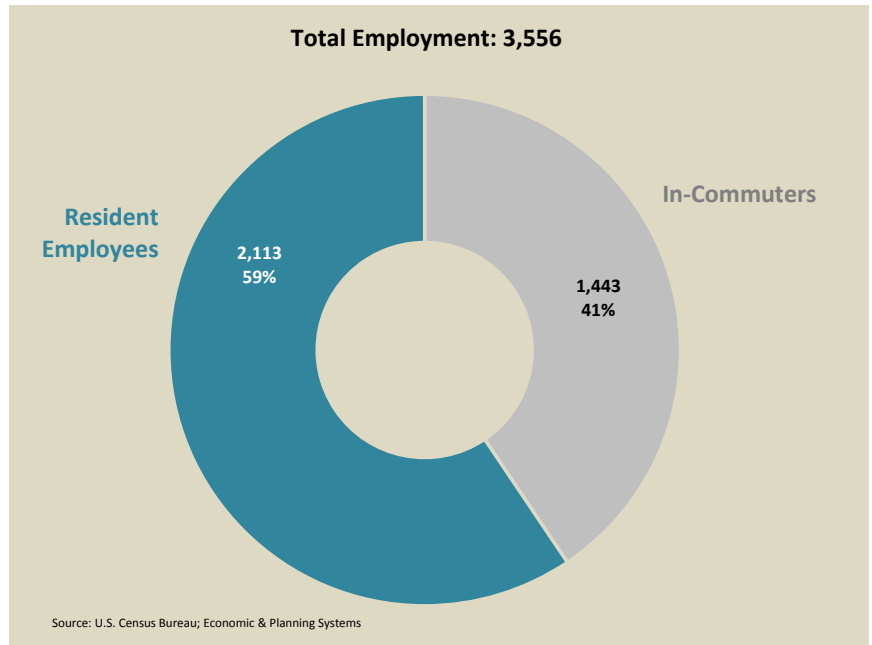
H:\153039-Telluride Workforce Housing Study\Data\153039-Deed Restricted Inventory-07-31-2015.xlsx\2014-Summary

- Since 2008, there has been a reduction in the number of new deed restricted units being added to the market on an annual basis.
- Based on extremely low vacancy and turn-over rates, there continues to be an extremely high demand for both rental and ownership units.

IN-COMMUTERS

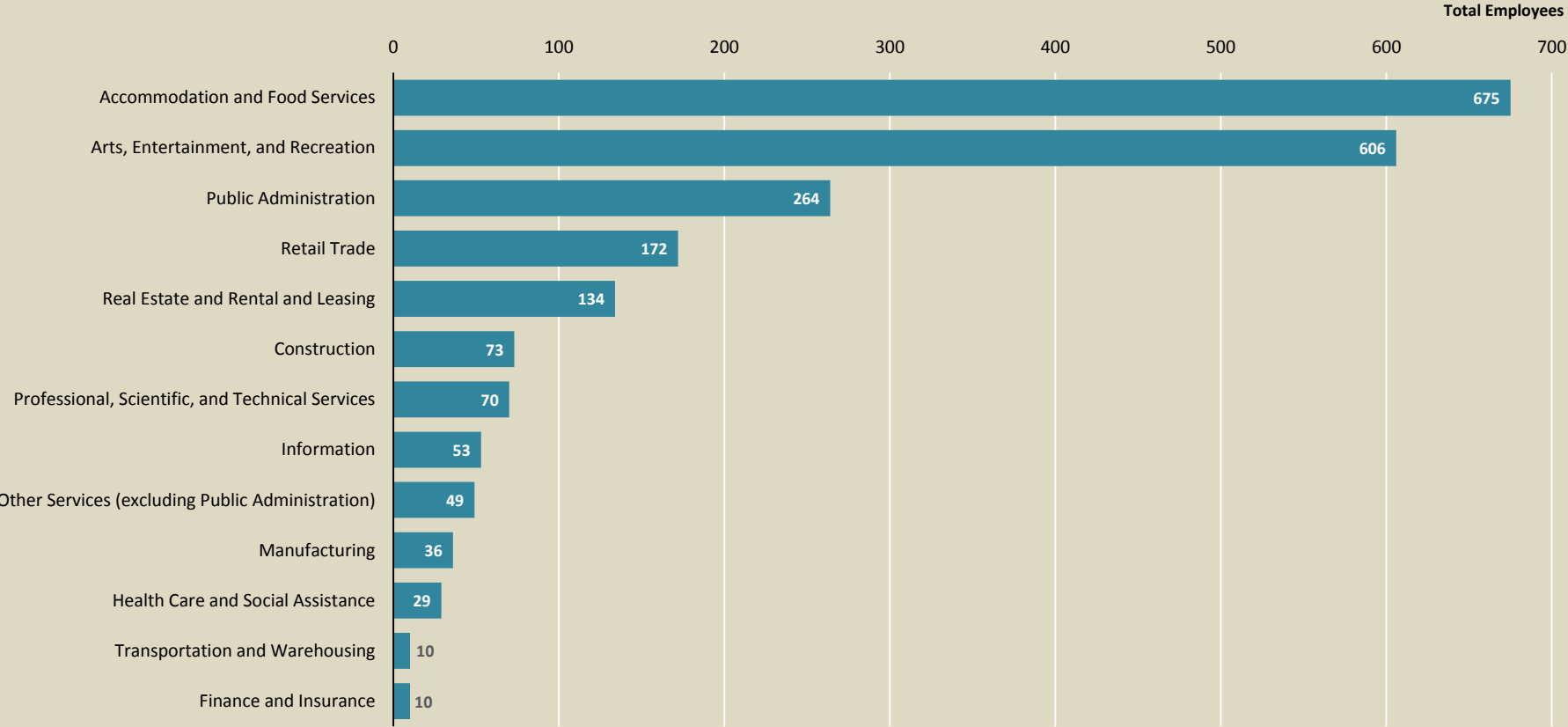
Key Question: What proportion of the total workforce in Telluride and Mountain Village commute in from surrounding areas?

Approximately 41% of total employment or 1,443 employees.



WHO IS IN-COMMUTING?

In-Commuting by Employment Sector
Telluride and Mountain Village, 2013

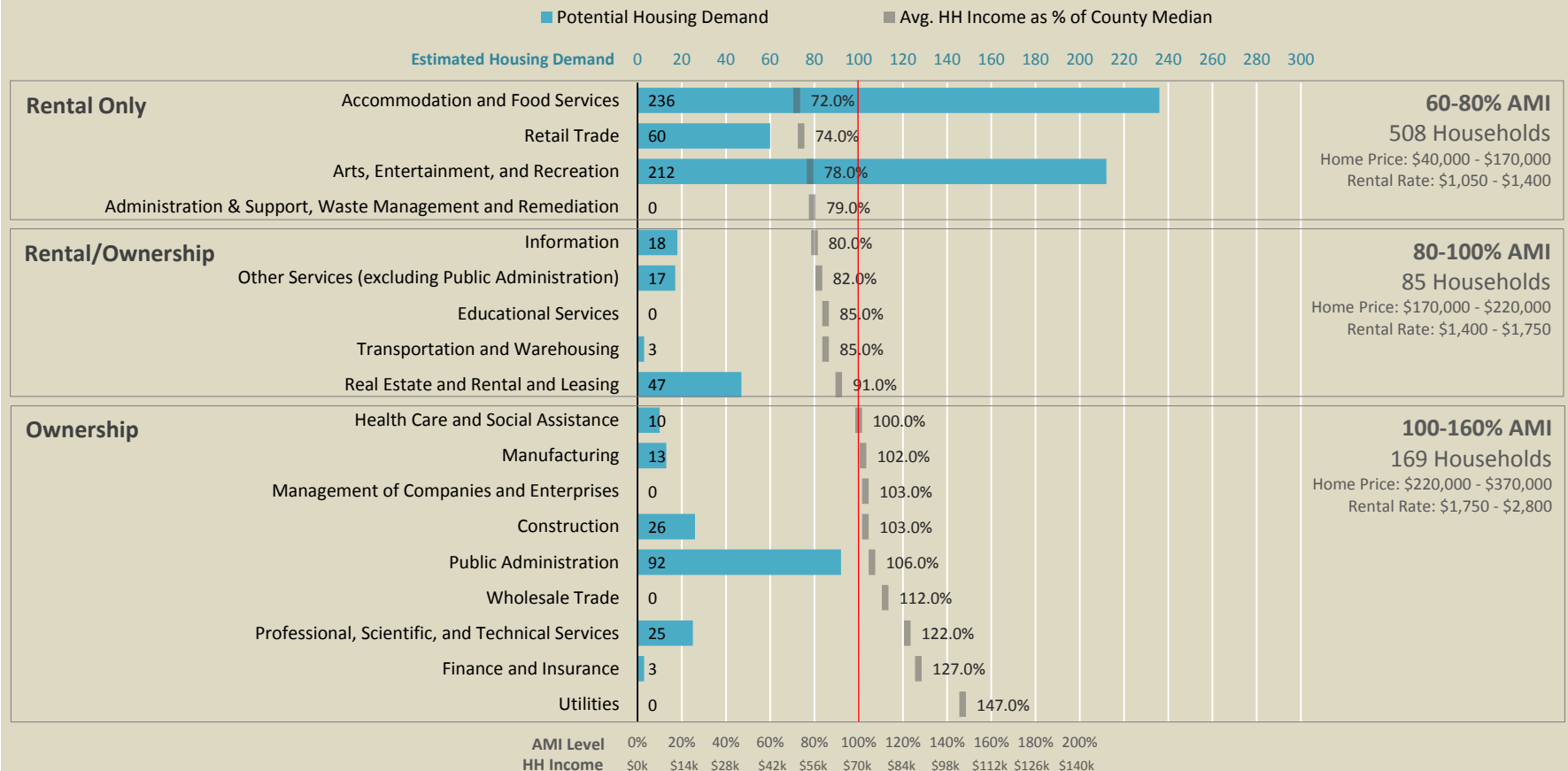


Source: U.S. Census Bureau; Economic & Planning Systems

DEMAND FOR HOUSING BY AMI LEVEL

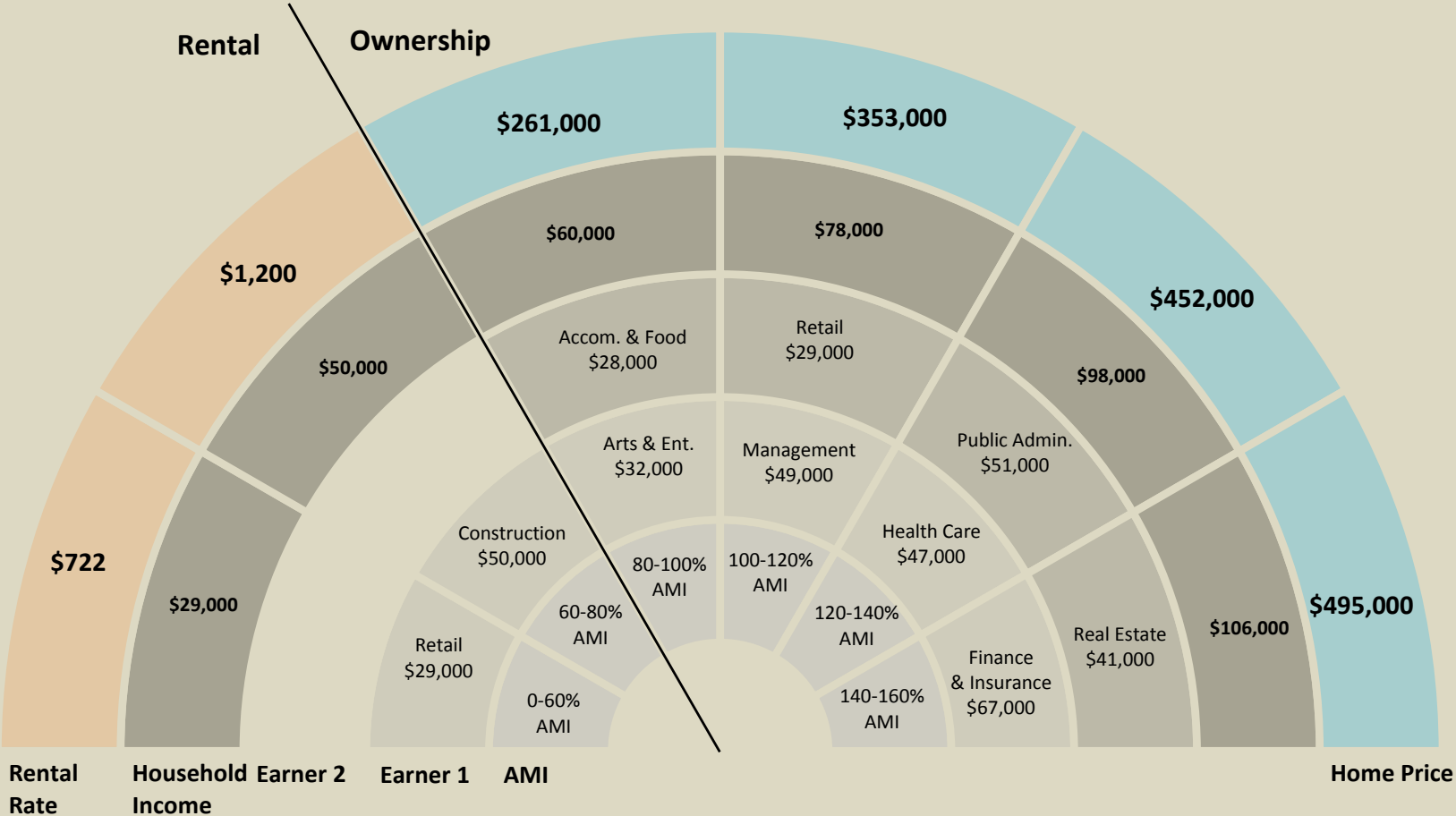
Estimated Housing Demand by AMI Level

Telluride and Mountain Village

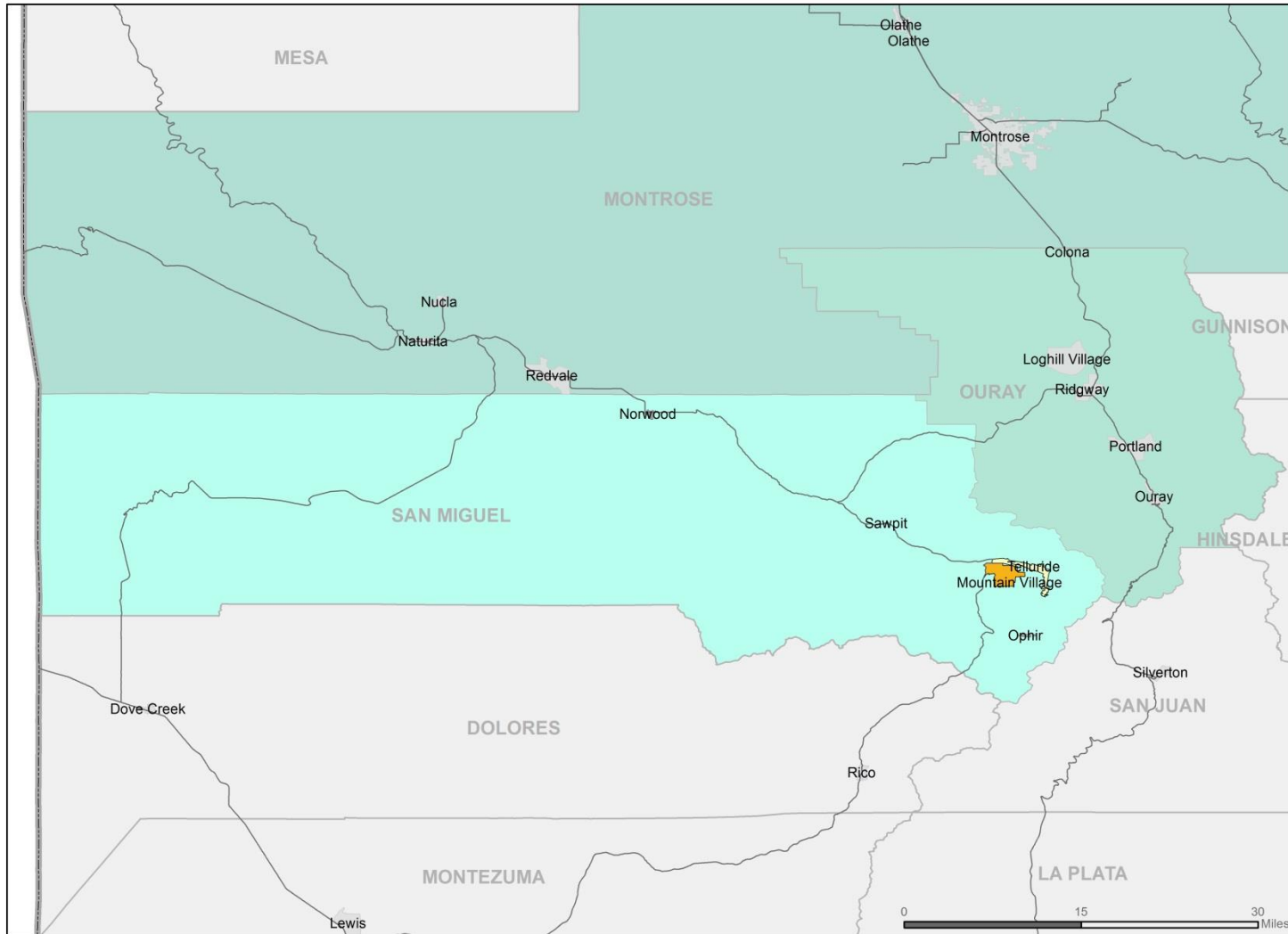


Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development; Bureau of Labor Statistics; Economic & Planning Systems

HOUSING DEMAND SPECTRUM



MARKET AREA



LEGEND

Colorado Counties

Other Counties

Focus Counties

Montrose County

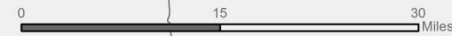
Ouray County

San Miguel County

Roads

Interstate

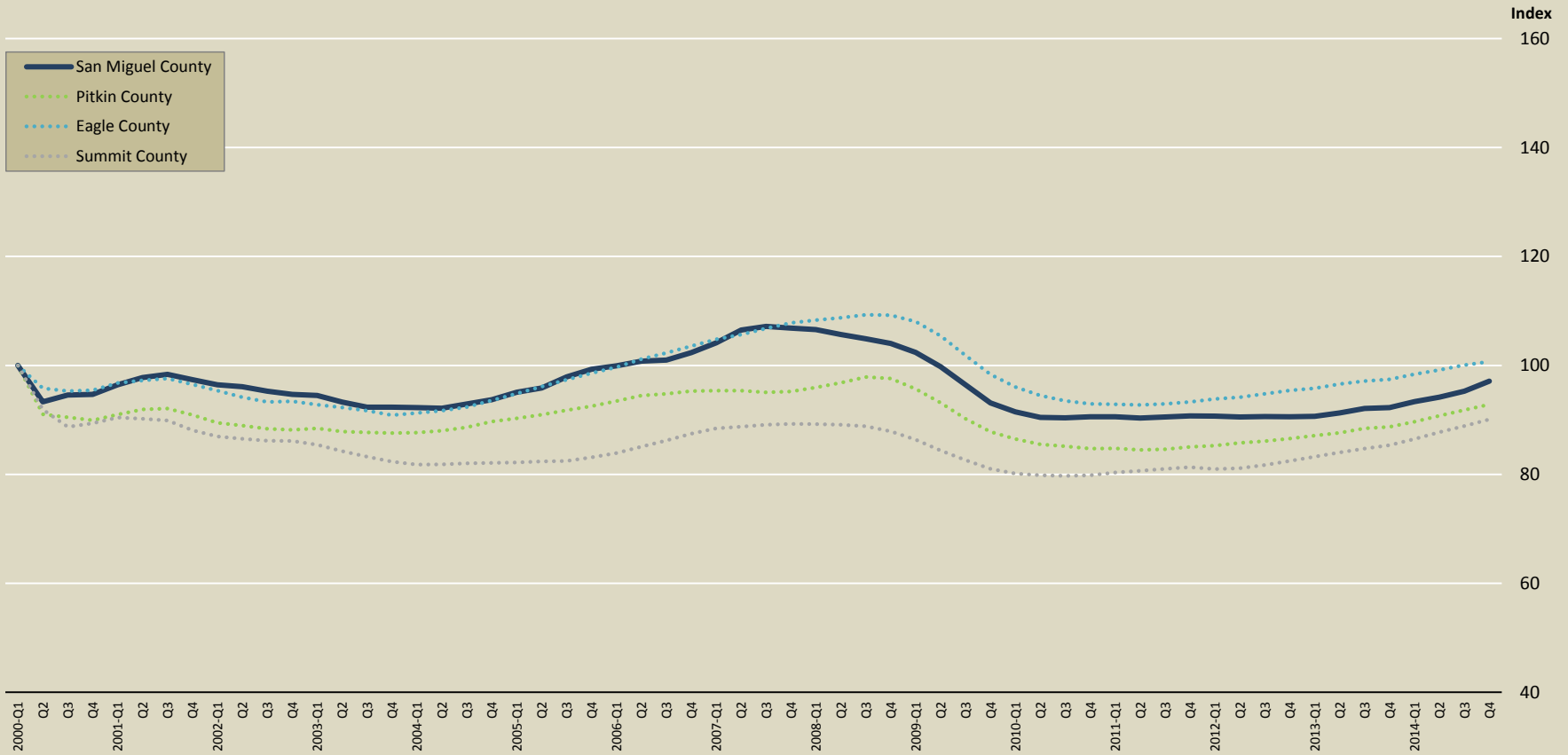
Highway



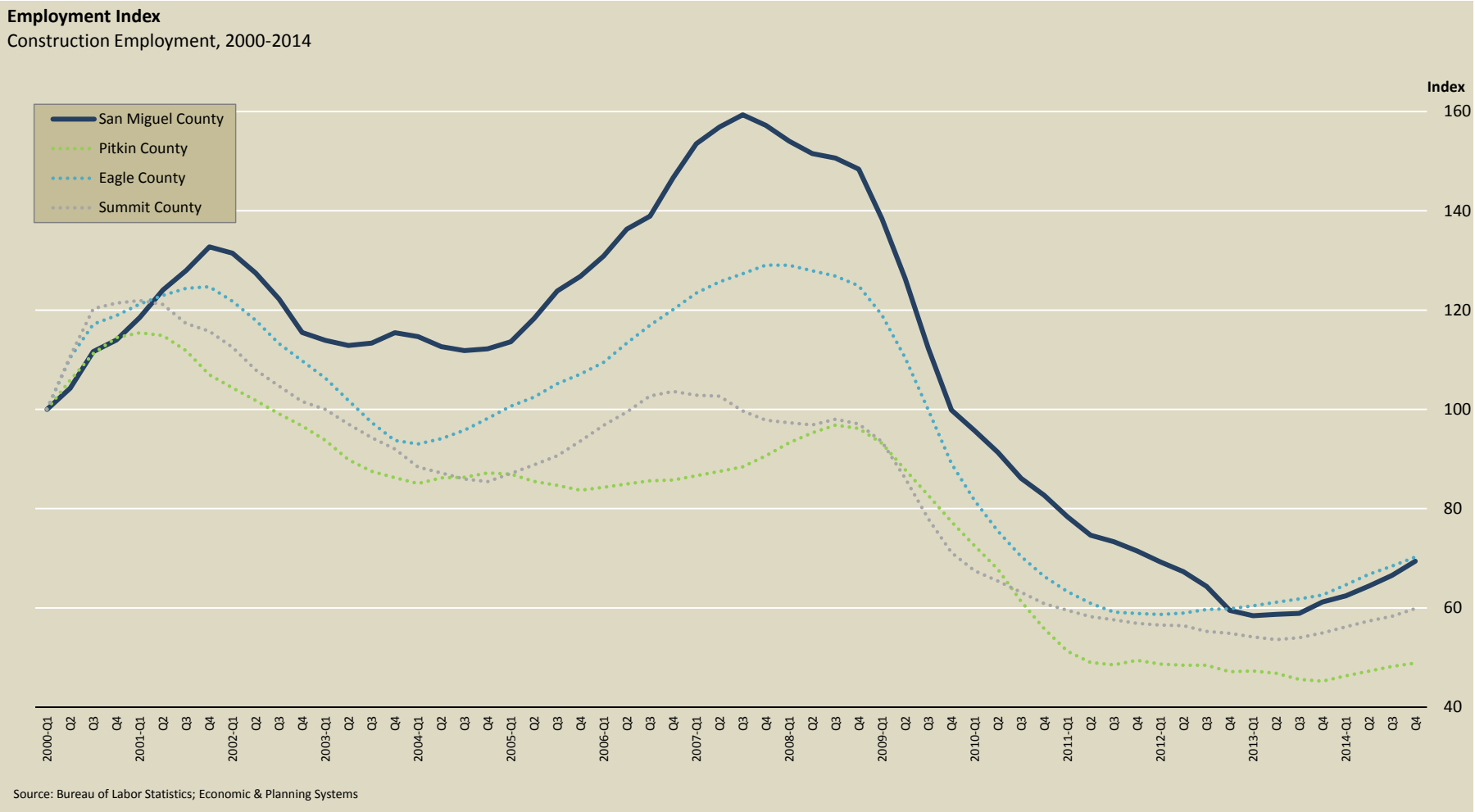
CHANGE IN TOTAL EMPLOYMENT

Employment Index

Total Wage and Salary Employment, 2000-2014

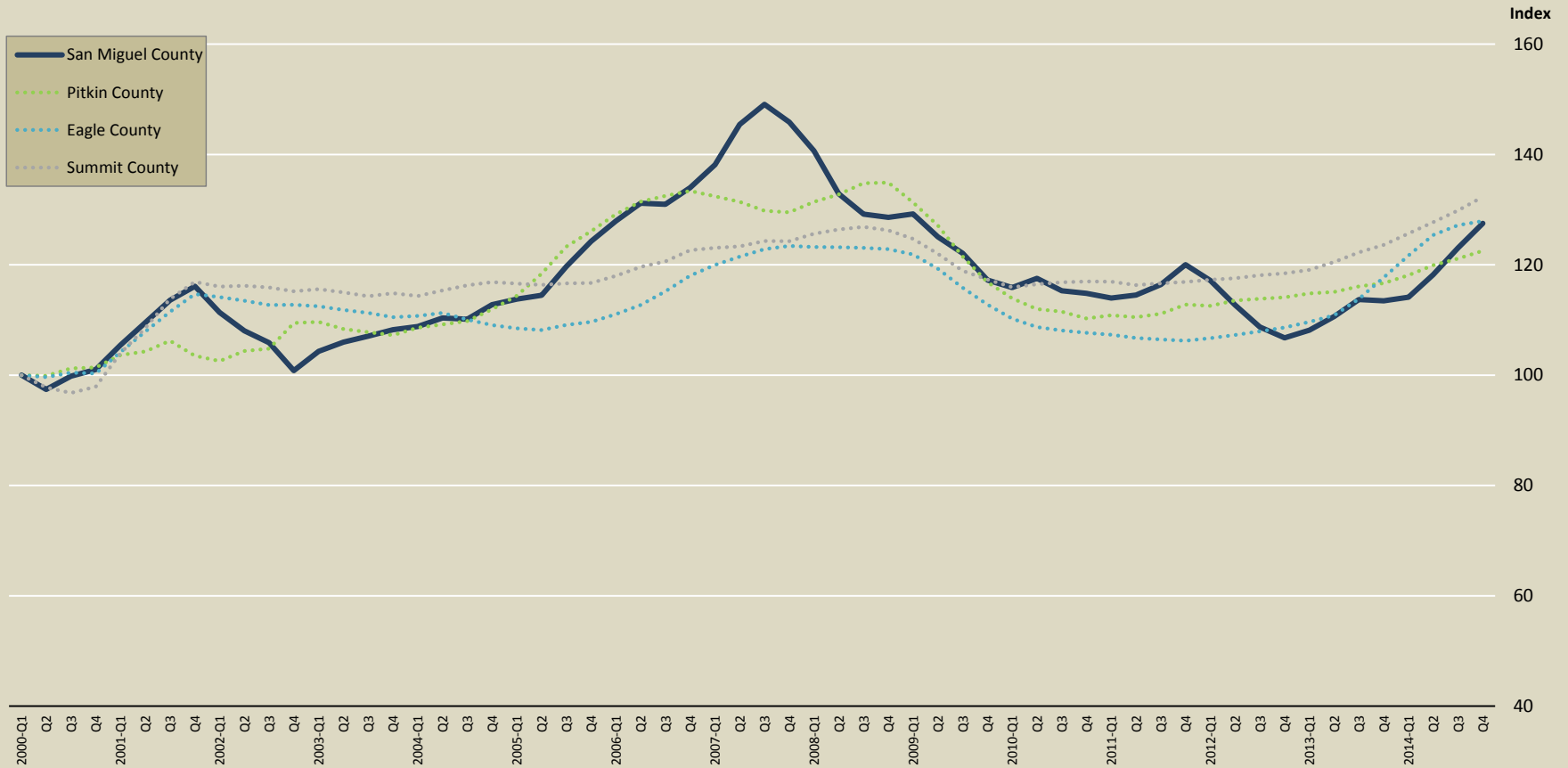


CHANGE IN CONSTRUCTION EMPLOYMENT



CHANGE IN YEAR ROUND EMPLOYMENT

Employment Index
Year Round (All Other) Employment, 2000-2014

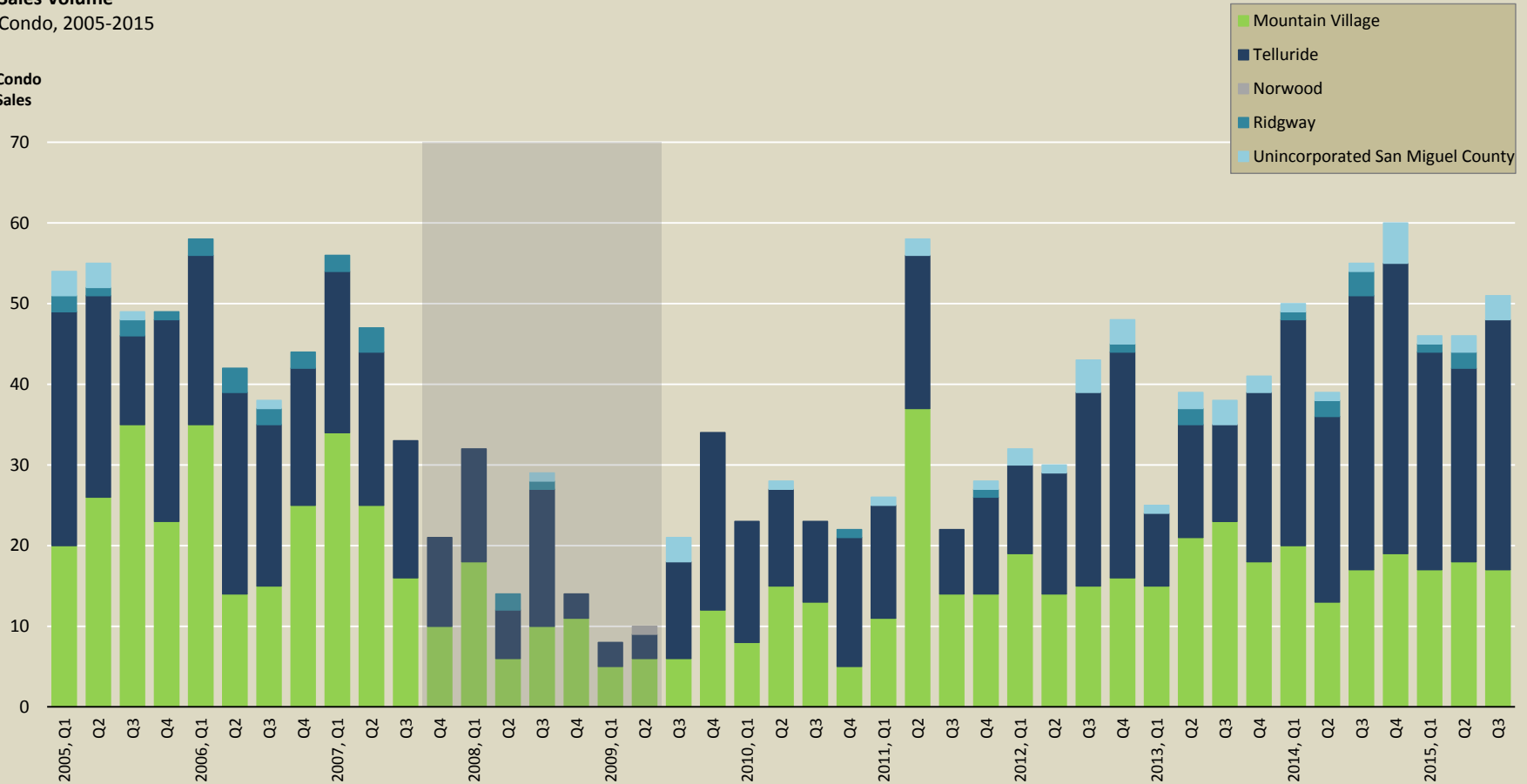


Source: Bureau of Labor Statistics; Economic & Planning Systems

SINGLE-FAMILY: SALES VOLUME

Sales Volume
Condo, 2005-2015

Condo
Sales



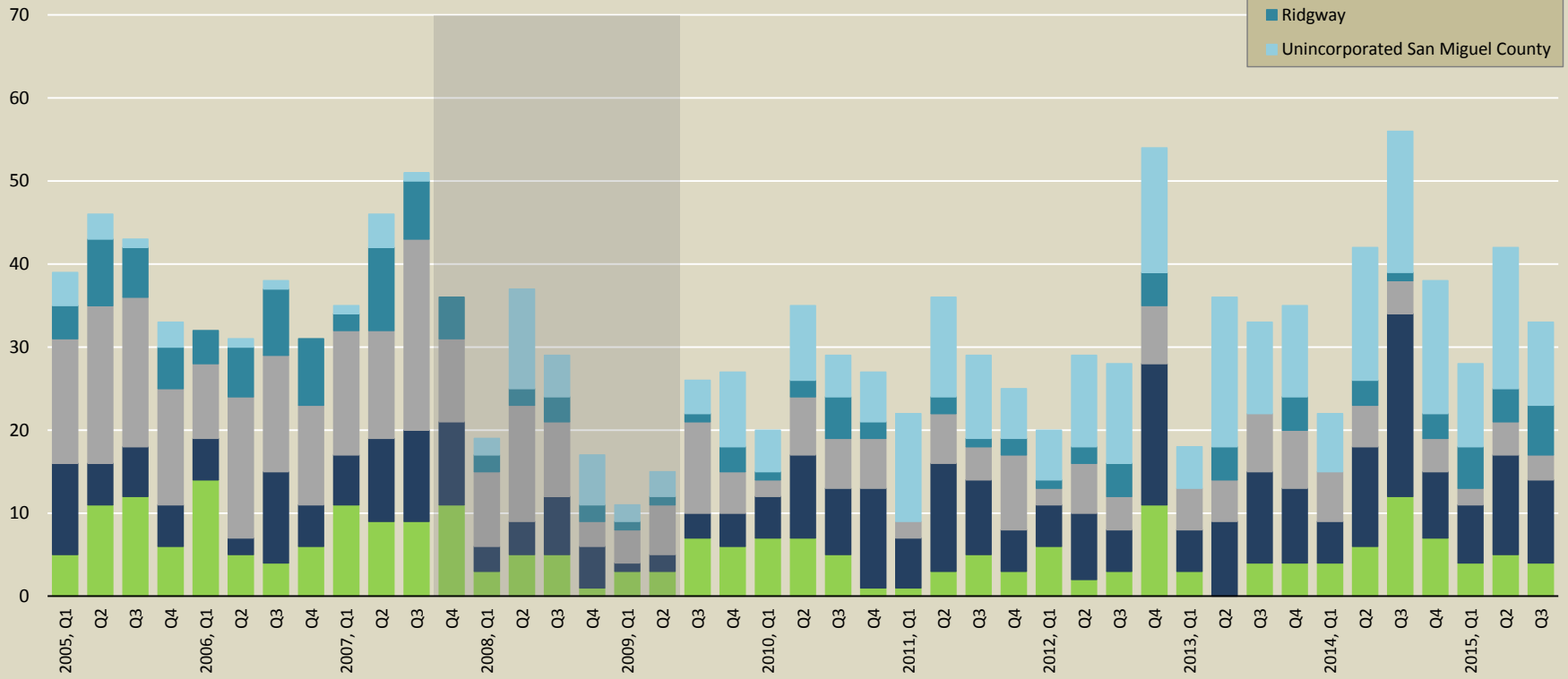
Note: Shaded area represents U.S. recession.
Source: MLS; Economic & Planning Systems

CONDO: SALES VOLUME

Sales Volume

Single-Family, 2005-2015

Single-Family Sales

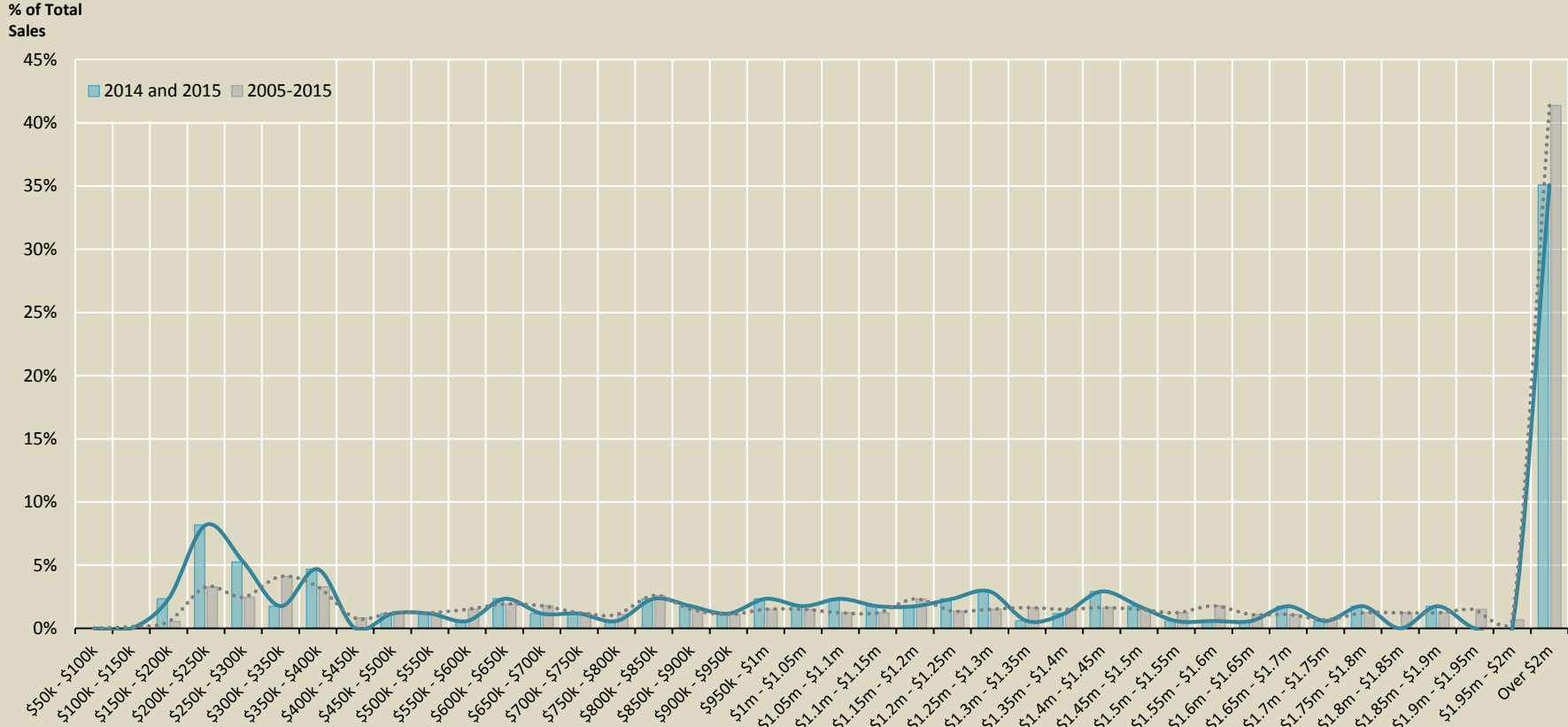


Note: Shaded area represents U.S. recession.
Source: MLS; Economic & Planning Systems

SINGLE-FAMILY: PRICE DISTRIBUTION

Sales Price Distribution

Telluride and Mountain Village, Single-Family Sales

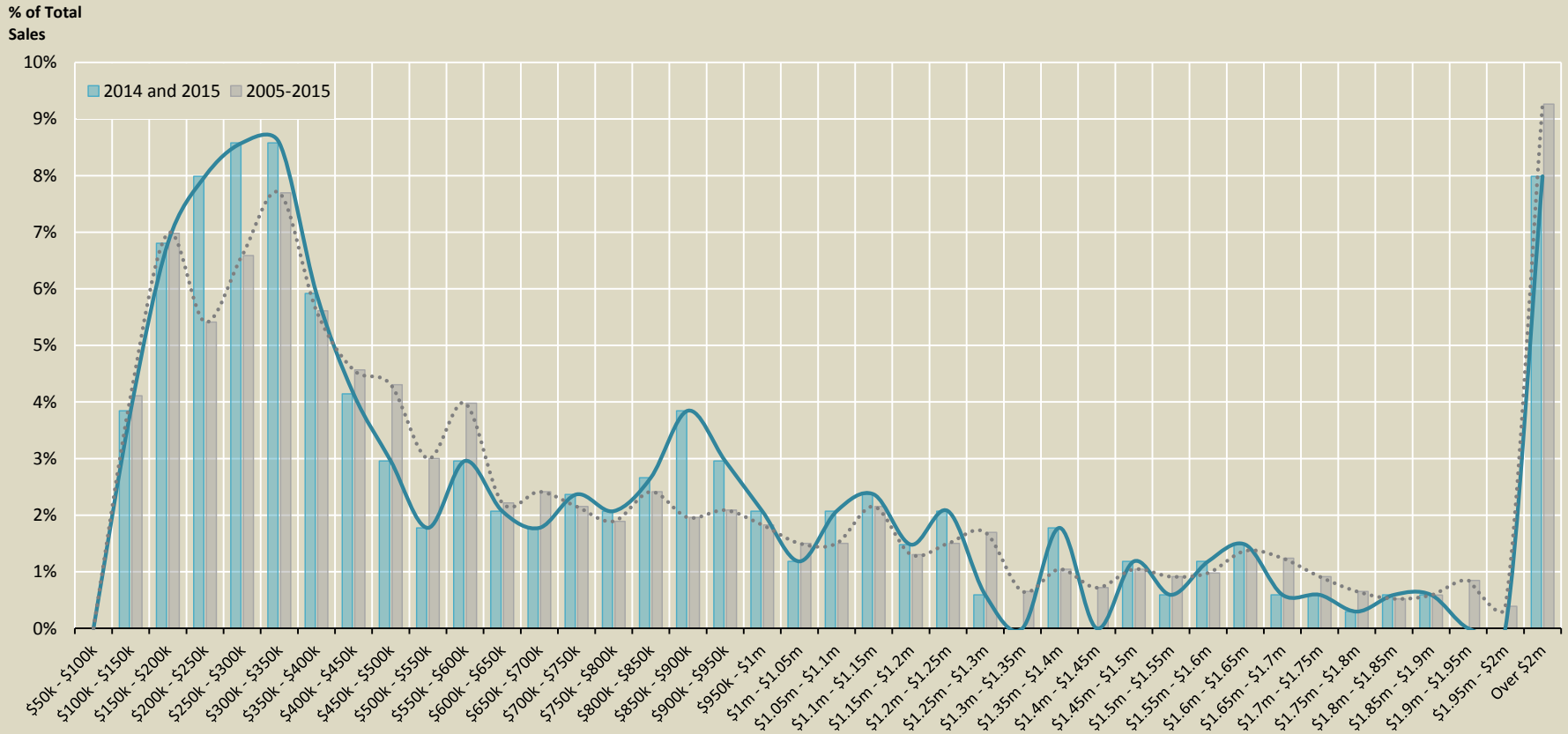


Source: MLS; Economic & Planning Systems

CONDO: PRICE DISTRIBUTION

Sales Price Distribution

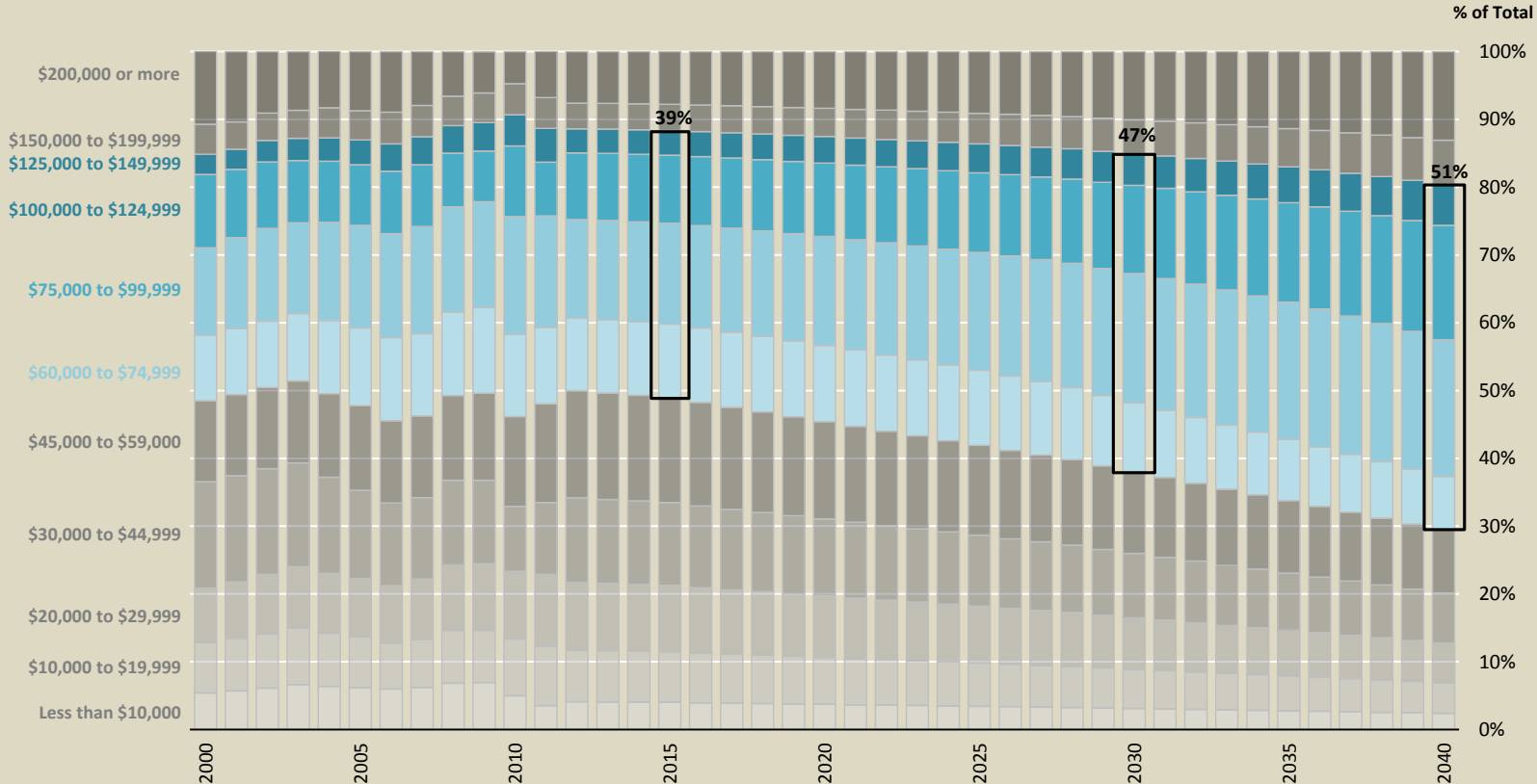
Telluride and Mountain Village, Condo Sales



Source: MLS; Economic & Planning Systems

HOUSEHOLD INCOME FORECAST

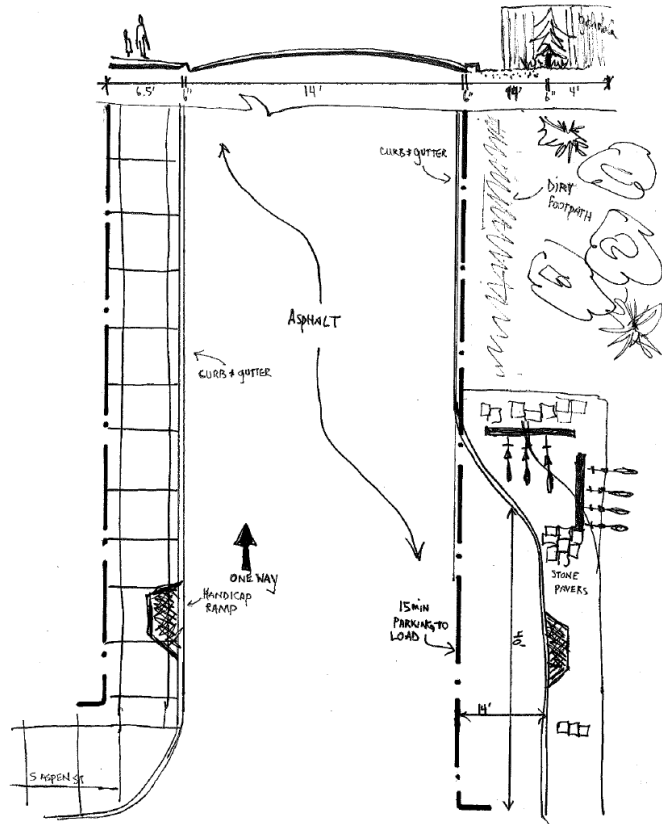
Income Distribution
2000 to 2040



Source: Woods & Poole Economics; Economic & Planning Systems

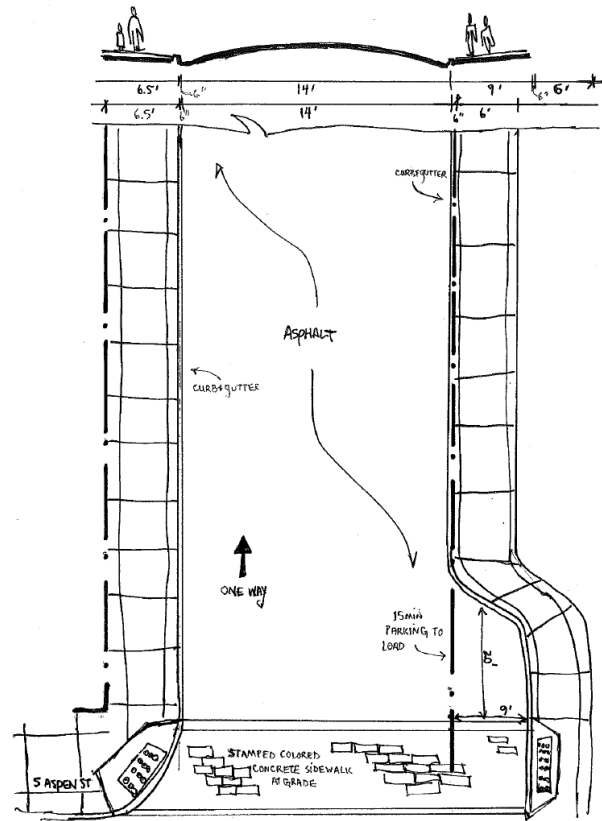
San Juan Avenue Sidewalk





W SAN JUAN AVENUE - 300 BLOCK
 (BETWEEN S OAK & S ASPEN)
 - EXISTING CONDITION -

Figure 5. West San Juan Avenue (Gus's Way) 300 Block, existing condition. This block is not currently included in the Streetscape Manual.



W SAN JUAN AVENUE - 300 BLOCK
 (BETWEEN S OAK & S ASPEN)
 - PUT INTO STREETSCAPE STANDARDS 2016 -

Figure 6. West San Juan Avenue (Gus's Way) 300 Block, proposed changes to the existing condition. Staff proposes that this conceptual design be incorporated as an amendment into the Streetscape Standards.

Proposed Amendments to the CDC Regarding Lot Splits



Concerns raised:

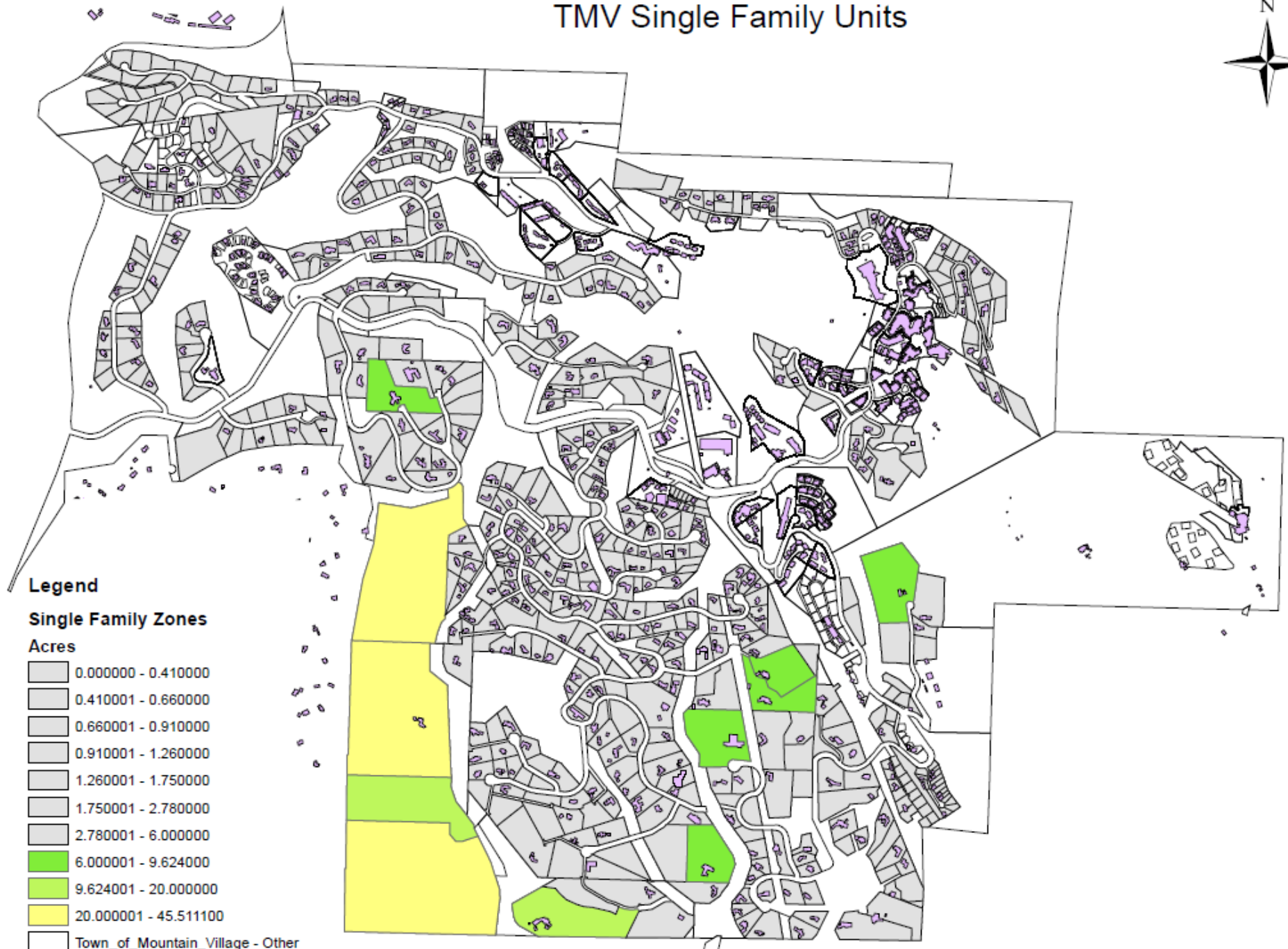
- ❑ Densification of Single-Family Areas
- ❑ Diversity of Lot Sizes
- ❑ Inappropriate Active Open Space Uses
- ❑ Increase Written Notice for Proposed Lot Splits
- ❑ What is “exceptional”?

Proposed Ordinance



- Single-family zoned lots may only be rezoned to Passive Open Space or
- The new SFPUD district:
 - The minimum parcel size for a SFPUD is six acres;
 - The SFPUD parcel may only be divided into two single-family lots each of which must be a minimum of three acres;
 - The SFPUD process will include the Conceptual and Final steps;
- Expand the written notification from 400 feet to 1,500 feet surrounding the subject parcel; and
- Community benefits must be provided with the SFPUD.

TMV Single Family Units



Legend

Single Family Zones

Acres

0.000000 - 0.410000

0.410001 - 0.660000

0.660001 - 0.910000

0.910001 - 1.260000

1.260001 - 1.750000

1.750001 - 2.780000

2.780001 - 6.000000

6.000001 - 9.624000

9.624001 - 20.000000

20.000001 - 45.511100

Town_of_Mountain_Village - Other

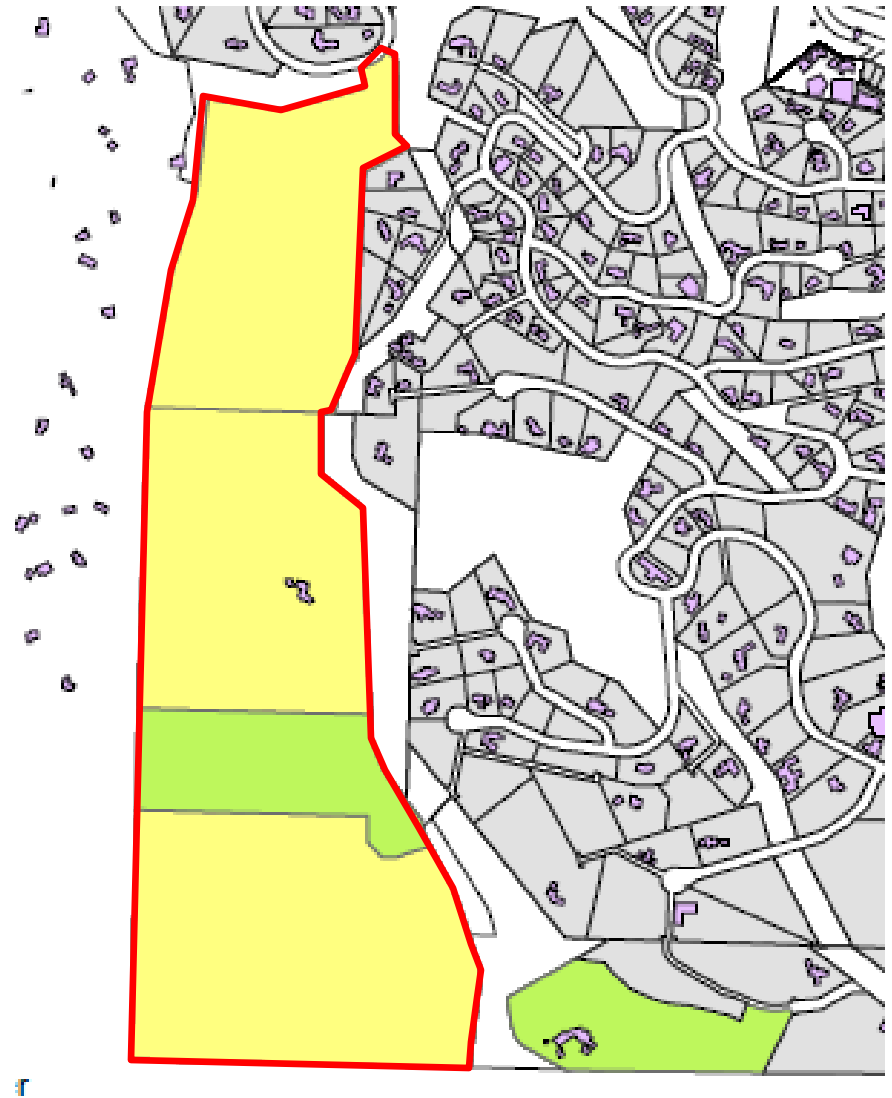
Building_Outlines

0 0.25 0.5 1 Miles

Additional Changes



- Limit Lots 376RA1, 387R1, 388 and 420R to SFPUD must be 20 acres and no lots less than 10 acres.



Design Review Board



1. “The Town Council reconsider the ability to subdivide single family lots at all and the DRB believes that subdivision of single family lots should be prohibited.
2. In the event that Town Council continues with the ability to subdivide single family lots the language proposed by staff is recommended; with the condition that lots are only eligible for one subdivision.”

Next Steps



- July 21 Town Council
 - ▣ First Reading and Set Public Hearing
 - ▣ Extend Moratorium
- August 18 Town Council
 - ▣ Second Reading and Public Hearing
- September 18 Ordinance Becomes Effective and Moratorium Ends

Proposed Motion



“I move to approve the first reading of an ordinance amending the Community Development Code, with direction to the Town Clerk to set the public hearing on August 18, 2016”

Agenda Item # 21

DISCUSSION REGARDING PROCESS TO REPLACE ROOFING IN CORE



Mountain Village Core

Discussion: Process to Replace Roofing in Core
Agenda Item # 21

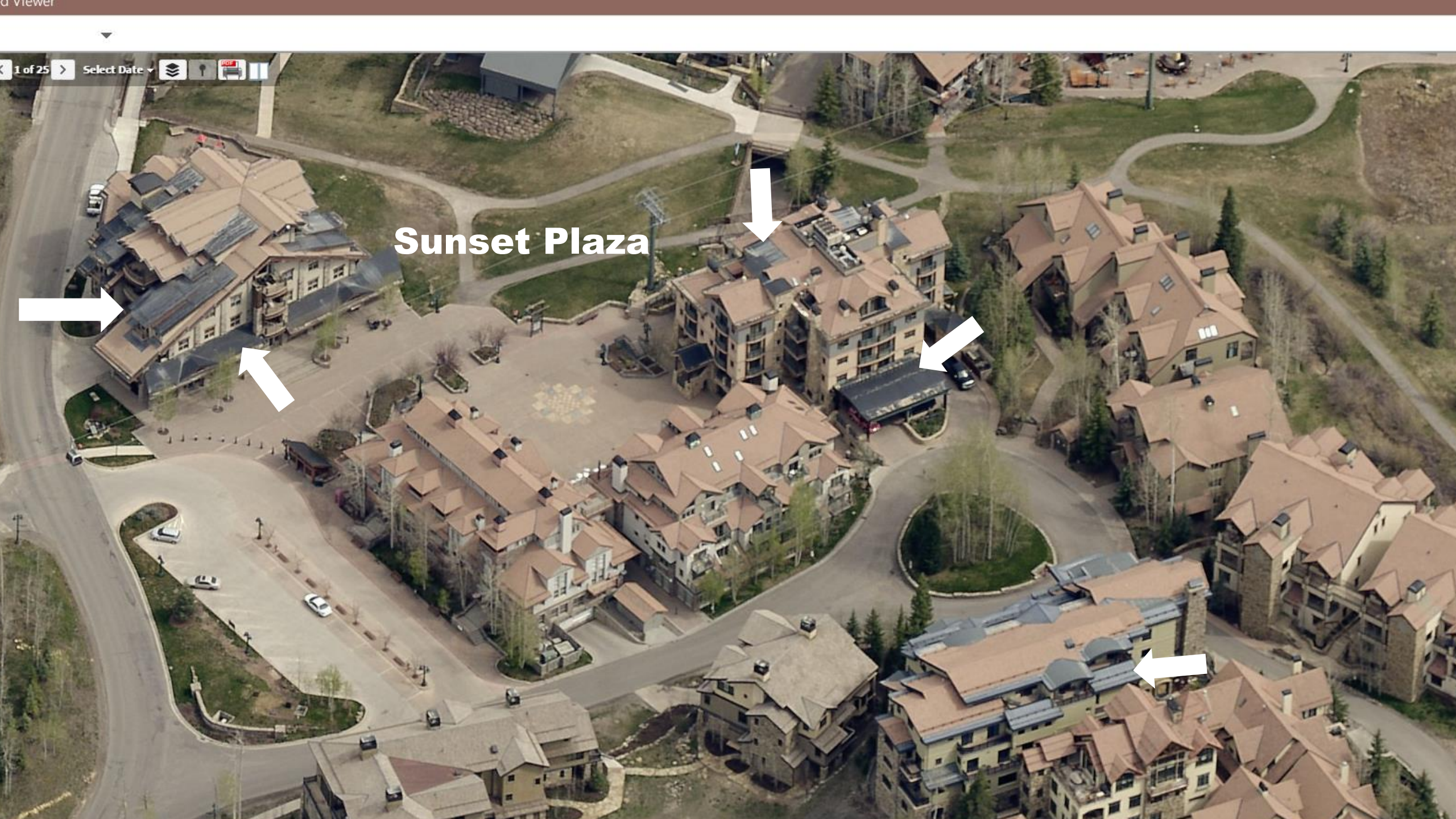


Mountain Village Core

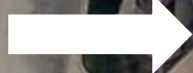


Heritage Plaza





Sunset Plaza



PROCESS TO REPLACE ROOFING IN CORE

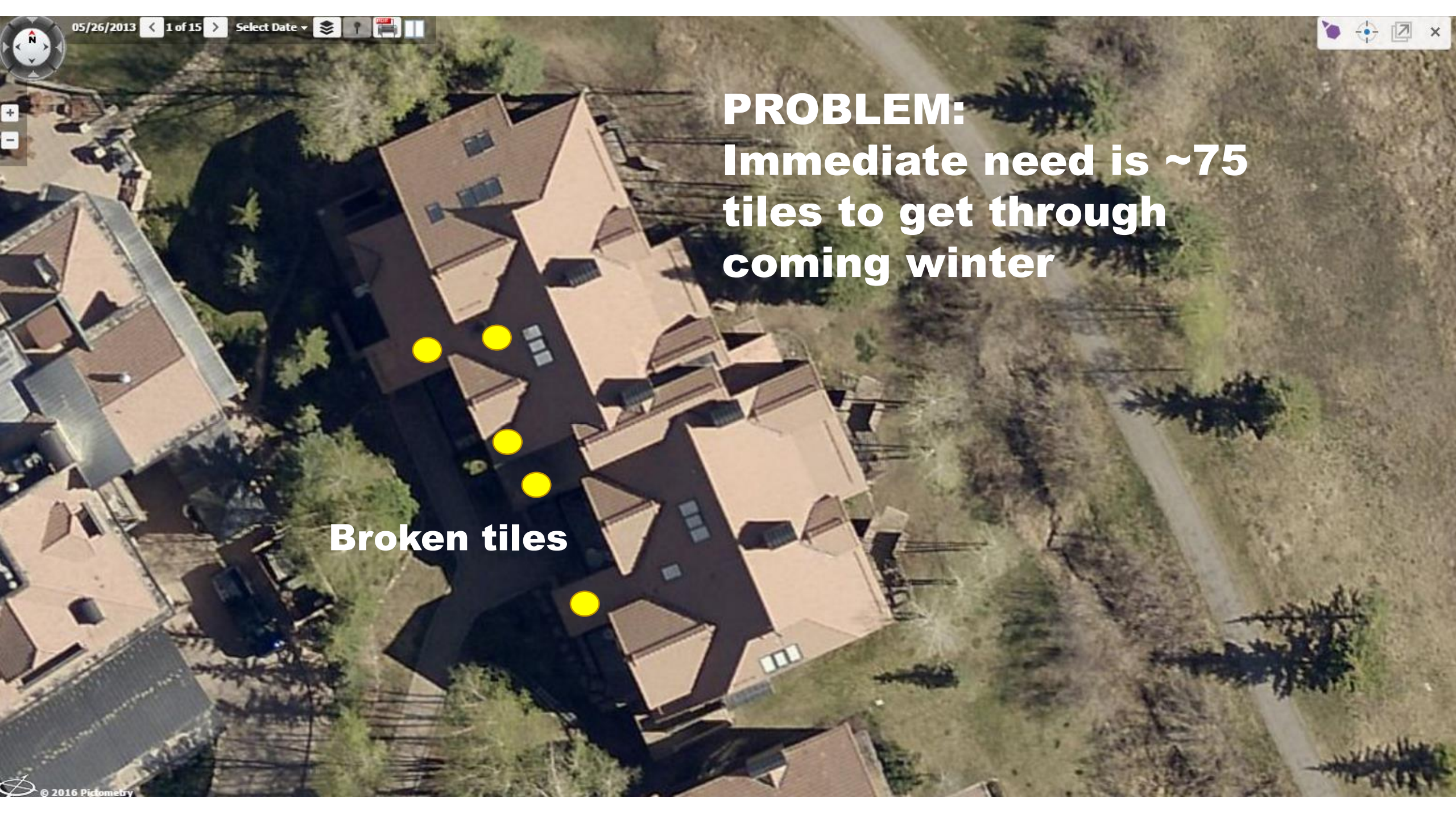
Agenda Item # 21

- 1. General understanding of current CDC code as it relates to roof tiles in the Core**
- 2. Understanding of current situation of broken tiles on buildings throughout Core**
- 3. Short-term plan for replacement of broken tiles and/or other roofing options for property owners**
- 4. Long-term plan for tiles and to ensure high-quality and positive aesthetics of buildings in the Core**



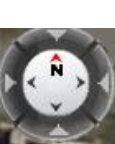
Map navigation controls: North arrow, Zoom in (+), Zoom out (-)

Kayenta Inn at Lost Creek



PROBLEM:
Immediate need is ~75
tiles to get through
coming winter

Broken tiles





**Trash
Building**

**SOLUTION: Approval to re-roof these
2 areas with metal, use tiles to
replace broken ones (this summer)**



**Backside of
Building**

PROPOSED NEXT STEPS

- 1. TMV to approve & initiate project to address tile problem**
- 2. TMV to provide update at August 18th Town Council Meeting**
 - a. Key elements of plan**
 - b. Timeline**
- 3. Expedite approval for Kayenta owners to re-roof two areas with metal and use removed tiles for needed replacements**